

# **FOREIGN POLICY OF JAPAN TOWARDS SOUTH ASIA SINCE 1952**

## **DISSERTATION**

SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
FOR THE AWARD OF THE DEGREE OF

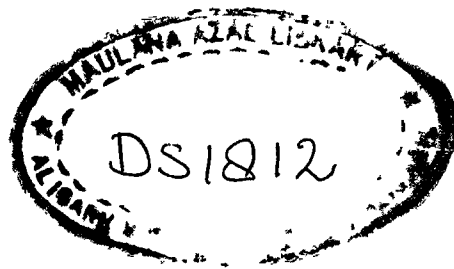
## **Master of Philosophy** IN **POLITICAL SCIENCE**

BY  
**ASAR ALI**

Under the supervision of  
**DR. M. MAHMOOD**

DEPARTMENT OF POLITICAL SCIENCE  
ALIGARH MUSLIM UNIVERSITY  
ALIGARH (INDIA)

1990



**DS1812**

Department of Political Science  
Aligarh Muslim University  
Aligarh



Phones : { Public : 26720  
          { Uni. : 266

Date : 3.12.1990

This is to certify that the M.Phil  
dissertation entitled "Foreign Policy of  
Japan Towards South Asia Since 1952", being  
submitted by Mr. ASAR ALI, has been  
prepared under my care and supervision.  
The work is fit, to the best of my satis-  
faction, for submission for evaluation.

I further certify that the  
candidate has cleared both written papers  
of his course and put in the requisite 75%  
attendance.

*M. Mahmood*

(Mohammed Mahmood)  
Reader in Political Science

C O N T E N T S



# CONTENTS

	<u>Pages</u>
ACKNOWLEDGMENTS ...	i
INTRODUCTION ...	ii-ix
Chapter I : FOREIGN POLICY OF JAPAN IN HISTORICAL PERSPECTIVE ...	1-25
1. Emergence of Japan as a Modern Polity	
2. The Japanese Approach Towards The External World	
Chapter II : THE JAPANESE APPROACH TOWARDS ASIA SINCE 1952 ...	26-62
1. Economic Resurgence of Japan	
2. Japan's Role in Postwar Asia	
Chapter III : JAPAN LOOKS TOWARDS SOUTH ASIA ...	63-107
1. Japan and India	
2. Japan and Bangladesh	
3. Japan and Pakistan	
4. Japan and Sri Lanka	
Chapter IV : CONCLUSION ...	108-116
SELECTED BIBLIOGRAPHY ...	117-130

\*\*\*\*\*

## LIST OF TABLES

			<u>Pages</u>
Table	I	: Reparations and Southeast Asia	52
Table	II	: Japan-Southeast Asian Trade 1978	54
Table	III	: Geographical Distribution of Japan's Bilateral Oversea Development Aid	61
Table	IV	: Percentage of Japan In India's Total Imports And Exports	71-73
Table	V	: Authorized Development Assistance From Japan to India And Utilization of Authorized Assistance from Japan from 1980-81 to 1988-89	80-81
Table	VI	: Directions Of India's Trade With Japan	82

## LIST OF APPENDIXES

Appendix A	:	Japan's Official Development Assistance to South Asian Countries, 1984-1988	131-143
Appendix B	:	Economic Relations Between Japan And South Asian Countries, 1970-1988	144-154

\*\*\*\*\*

## ACKNOWLEDGMENTS

ACKNOWLEDGMENTS

In the preparation of this study I am greatly thankful to my Supervisor, Mohammed Mahmood, Reader of Political Science, Aligarh Muslim University, for his guidance and support.

I am also thankful to Professor A.P. Sharma, Chairman, Department of Political Science, Aligarh Muslim University, for his encouragement.

My sincere thanks are due to the Librarians and the Staff of Maulana Azad Library, A.M.U., Jawahar Lal Nehru University and Indian Council of World Affairs. In particular, Mr. C.N. Vishwanath, Information Officer, and Sarta Sadarangani, Librarian, both of Japan Cultural and Information Centre, New Delhi, helped me a lot in having access to the original data.

I also extend my thanks to Dr. P.K. Mathur, Lecturer, Department of Sociology, Aligarh Muslim University, Mr. Imran Saleem and Vinay Bhardwaj for their suggestions from time to time.

I shall fail in my duty if I do not acknowledge the help and encouragement received from my kind parents and my brothers Mr. Asrar Ali Khan, Mr. Abrar Ali Khan, Mr. Afaq Ali Khan, Mr. Basit Ali Khan, Mr. Kamil Ali Khan and Mr. Amir Ali Khan.

INTRODUCTION

By the turn of the last century the eyes of the world were fixed on a new power which had emerged on the fringe of the Asia. By her own efforts Japan succeeded by 1899 in removing the stigma of inequality she carried over since the forced entry of foreigners into Japan and her first treaties concluded with the Western powers in 1858. The world was astonished in 1902 when Anglo-Japanese treaty came into force which was the first bilateral treaty between a Western power and an oriental nation. More than this the military defeat of Russia by Japan in 1904-5 stunned the entire world and gave a new spirit and confidence to the Asian nations. Japan became one of the major powers of the world by the end of World War I. But World War II led Japan to total defeat and foreign occupation. Hatred and bitterness towards Japan throughout Asia was a major legacy of World War II. Japan's postwar reconstruction and economic growth required access to raw materials and markets in Asia. She had perforce to adopt a new approach towards postwar Asia. In this study, I have tried to examine the evolution of Japan's postwar policy and relations with the South Asian nations since the San Francisco Peace Treaty in 1952 till the 1980s.

The miracle of economic growth has transformed Japan from a land of begging bowl into one of the most prosperous nations within a span of just 45 years. The Japanese economic miracle has become a cause of envy for the developed countries and a source of hope for the developing countries.

The supreme priority of Japan since the Second World War has been the restoration of her industrial potential and economic competition with the West. As and when the Western powers decide to curtail the wings of Japan, a radical reorientation of Japanese foreign economic policy will be in order. Hence a radical shift in Japanese foreign policy towards the Third World is most probable. Thus, the global economic gaint that is Japan has attracted the attention of all and has become an important subject of academic research. Though Japan's relations with its foremost ally, the U.S.A., and with other Western countries are still close, yet growing strains in their trade relations cannot be overlooked. The erection a wall of protectionism against Japanese exports by the Western nations and the naming of Japan under the so-called "Super 301" by the U.S.A. are some of the instances of desperate efforts made by these countries to browbeat Japan economically. In the light of these peculiar international developments, the Japanese public opinion has turned strongly against the

U.S.A. and the Western world and pressed the Japanese government to pursue an independent policy and play a more meaningful role in international relations.

Japan is no longer the poorest member of the rich men's club or even an underdeveloped country but has in fact become one of the richest members of the rich men's club. Under present circumstances the Third World is the arena where Japan must seek newer prospects of trade and future development of its capital and technology. Japan may use foreign aid as a diplomatic instrument to spread its influence throughout the Third World.

This has given rise to speculation that Japan, which is no doubt an economic superpower, is gradually preparing to establish her political leadership in Asia. To realize this ambition Japan is bound to make fullest utilization of her economic potential towards maintenance of stability and peace in Asia.

On the other hand, South Asia which possesses abundant natural resources and approximately 960 million people, is still a very backward region. This region's nations (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) are categorized among the "less developed countries" (LDC's). Of these Bangladesh, Bhutan,

Maldives and Nepal are, indeed, the least less developed countries. These nations urgently need economic and technological assistance for socio-economic development. Japan, the economic giant of the world and an emerging leader of Asia, may play a major role in economic and technological development of the developing countries of this region. At the same time, Japan also needs a new market for her goods because Japanese relations with the Western countries are in doldrums. Despite the fact that South Asia is offering a vast market to Japanese goods it also possesses cheap labour which is scarce in Japan. Hence, promotion of close ties between Japan and the countries of this region can be expected to contribute significantly to the attainment of the aims of Japan's Asian diplomacy, particularly to longterm stabilization and strengthening of Japan's relations with the Asian Countries. Japan should, of course, also strive to further enhance her relations with South Asian countries not only in the economic field but also other areas as well. Mutual dependence of Japan and South Asian countries on each other calls for closer collaboration among them.

No doubt, Japan's postwar relations with South Asian countries have been largely economic with no political overtones. Even economic relations of Japan with the nations of South Asia remain modest as compared with the



Southeast Asian countries. Of course, Japan has increased rapidly her direct investment abroad but Japanese investment in South Asia has been sluggish and the countries of this region have to realize yet their high hopes for increased investments from Japan.

The world has been undergoing many changes. The economics of the countries belonging to the Association of Southeast Asian Nations (ASEAN), for example, are growing vigorously and cooperation among Asia-Pacific region countries is increasing. The process of democratization in Eastern Europe and the reforms being carried out in the Soviet Union are reducing tensions in the U.S.-Soviet relationship. Given such recent changes, South Asian countries are groping for a way to deal with new realities both within and outside the region. South Asian countries have long been friendly towards Japan, and they hold Japan's economic and technological strength in high regard.

In the past much work has been done on Japan's foreign policy towards Southeast Asian but hardly any effort has been made on Japan's approach to the South Asian region as a whole. This has motivated the present researcher to select this important aspect of Japan's

foreign policy and undertake this study from this particular viewpoint. The subject has been studied in an independent, impartial and unbiased way free from nationalist biases and proclivities. I have given equal respect and equal treatment to the approaches, viewpoints and policies of both sides.

In the preparation of this study I have relied primarily on documents and data published by the Japanese government as well as on the abundant secondary sources available, some of which have been included in the selected bibliography at the end of this study particular I have drawn my statistics from the following sources:

- (a) Financial statistics and Direction of Trade Statistics of IMF and Europe Year Book etc.
- (b) Governmental and semi-governmental publications of Japan and India such as numerous whitepapers on International trade, reports of JETRO of Japan, and reports of the Indo-Japan business Committee of India

I have also been fortunate in getting in touch with the very few scholars in India who are active in the field of Japanese studies. Their views and insights have greatly benefited me in assessing the Japanese relations with South Asia.

In chapter I, I have made an effort to evaluate various factors which were responsible for the end of Japanese isolation. An effort is also made to examine the emergence of Japan as an independent polity and her subsequent approach towards the external world.

In chapter II, I have highlighted the various factors behind the economic miracle of Japan during the postwar period. I have also tried to speculate about the prospective political role of Japan in Asia in the light of foreign economic policy.

In chapter III, which is the substantial part of this study, I have analyzed the Japanese approach towards the South Asian countries. The significance of this region from the viewpoint of the Japanese economic and political interest is increasing day by day. I have juxtaposed the backwardness of South Asian countries in the economic and technological field to Japan's technological and economic supremacy in the Asian continent. Both sides need each other. In this fact lies the key to the future growth of Japan-South Asia relations.

(ix)

Finally, the conclusion sums up the main findings of the study. In the rapidly changing international situation, maintenance of regional peace and bilateral and multilateral cooperation among nations have acquired primary importance. I have evaluated optimistically the prospects of improvement in Japan's relations with South Asian nations and establishment of durable peace, stability and prosperity through international cooperation.

\*\*\*  
\*

CHAPTER I

FOREIGN POLICY OF JAPAN IN HISTORICAL PERSPECTIVE

## CHAPTER I

### FOREIGN POLICY OF JAPAN IN HISTORICAL PERSPECTIVE

#### 1. Emergence of Japan as a Modern Polity

Japan, an archipelago located entirely in the temperate zone between 30° and 45° C North latitude, comprising the four main islands of Honshu, Hokkaido, Kyushu, and Shikoku with numerous small islands is anchored off the north-eastern coast of Asia. A resource-poor country, Japan has very limited arable area which does not exceed seventeen percent. Her comparative physical isolation has enabled the nation to develop her own culture and without being completely overshadowed and engulfed by Chinese civilization and thus separation from the continent of Asia has been her safeguard as well. The abundance of mountains and the lack of intercourse with outsiders have made the Japanese people clannish and strictly nationalist. Japan's swift streams are proving of immense benefit to industry, while the agricultural poverty of the country and the dearth of iron have been vital factors in shaping her foreign policy.

To understand Japan's foreign policy in the historical perspective it is necessary first to comprehend her brief and turbulent historical events and the effects these compressed events have had on the Japanese society.

Two sets of events in particular have been decisive in their impact: (1) the self-imposed policy of isolation and (2) the developments leading to the Meiji Restoration. The first event occurred in 1637 when the Tokugawa shogun, Iyeyasu, closed Japan to foreign intercourse and began an era which was not to end until the "hermit" nation's doors were opened in 1853-54. Japan managed to pursue a self-imposed policy of isolation for more than two hundred years, allowing only the Dutch and the Chinese to carry on trade at Nagasaki while forbidding her own nationals to set foot on foreign soil. This policy which was unique one in the world was motivated by the fear of liquidation of Japanese culture and European aggression.

With its policy of isolation the Tokugawa regime was, no doubt, responsible for making the nation lag behind by closing contacts with the outside world. But on the other side this regime gave the Japanese people a sense of discipline, a sense of unity and above all a strong feeling of nationalism which proved an asset at the time of transition to Meiji period (1868-1912). As Sir G. Sansom remarks, "Tokugawa Society was a mature and static feudalism in which the virtues of obedience and loyalty were prized beyond all others."<sup>1</sup> Ultimately this policy

---

1 B.R. Chatterji, Modern Japan (Meerut; Meenakshi Publications, 1966), p. 5.

of national isolation led to political, economic and social exclusive and stagnation.

In the middle of the 19th century "powerful, well organized and ruthless western nations, armed with tools and weapons forged in the "Industrial Revolution" were engaged either in imposing their will on the weaker lands of Asia and Africa or in reducing them outright to colonies and dependencies."<sup>2</sup> Japan also felt the bite of Western arms when American warships under the command of Commodore Perry steamed into Yedo (Tokyo) in 1853-54 and compelled her to open its doors to foreign trade. It was another significant event which led to civil war for a few years culminating in the downfall of Tokugawa regime and the Meiji Restoration which was destined to change the course of Japanese foreign policy.

In Japanese history thus a new era began early in January 1868, when the young emperor officially assumed direct rule over the state which event came to be known as the "Meiji Restoration". The Meiji Restoration is regarded as the starting point of modernization of Japan. The circumstances in which Japan's modernization had its beginning were to have major influence not only on Japanese society,

---

2 Kiichi Aichi, 'Japan's Legacy and Destiny of Change,' Foreign Affairs, Vol. 48, No. 1 (Oct. 1969), p. 22.



economy and the Psychological makeup of her people but also on Japanese foreign policy. The new regime had been deeply impressed by the helplessness of the earlier Tokugawa regime in the face of Western military powers, and the humiliation they had been compelled to suffer because of their military weakness. Obviously, they were eager to create a Japan capable of holding her own in the modern world. Outrightly they thought firstly in terms of military might but soon realized the heart of problem that to achieve military might Japan essentially required an economic, social and intellectual renovation. The Restoration government adopted a series of vigorous policies aimed at achieving rapid modernization, comprised of measures whose goal was epitomised by such slogans as "Rich country, strong army" and "Increased production, promote industry". It also gave urgent attention to the revision of unequal treaties that the Tokugawa regime had concluded with various countries like the USA, England, France, Russia, etc. after the opening of Japan's doors to foreign trade. Keeping in mind the past images of humiliation caused by the military and economic weakness of earlier Tokugawa regime the Meiji government made overall efforts to make Japan a powerful modern state which could cope with any challenge in future.

---

3 Koichi Kishimoto, 'Politics in Modern Japan' (Tokyo, Echo Inc. Publishers, 1977). p. 12.

The new leadership, from the very beginning, showed great enthusiasm for the promotion of modern education which was in its view an essential and unavoidable force to nurture Japan as a modern power. One of the articles in the charter of oath of the Emperor (1868) was "Knowledge shall be sought throughout the world, so that the welfare of the Empire may promoted"<sup>4</sup>. They well realized that to make an efficient army and the navy, commerce and industry, competent populace was required. In 1872 universal compulsory education was introduced, at first the period of this compulsory education was only 16 months but this was gradually extended to four years and finally to six years.<sup>5</sup> Universal education was considered an essential instrument of government, a kind of training to make subjects reliable and duty-conscious so that they could serve the modern state efficiently and faithfully. In 1890, the year which saw the beginning of parliamentary government, was issued the Imperial Rescript on Education by which "loyalty and filial piety were made the moral objectives of national education. Respect for the constitution, obedience to the law and sacrifice of the individual for the good of the state were enjoined. These were the national virtues and they were to be carefully preserved against the wave of extreme westernization."<sup>6</sup> Due to the farsightedness of Meiji leaders

---

4 Chatterji, Op.cit., p. 23.

5 Ibid.

6 Ibid., p. 24.

Japan emerged as the first Asian country which banished illiteracy from the nation entirely. Thus Japan shrewdly used the educational system for all-round modernization and became the leading Asian country in the field of commerce and industry as well as political development and military buildup.

In the economic field rapid modernisation was introduced by Meiji regime which brought tremendous progress in Japan. The new regime was not satisfied with the slow pace of private economic activities and preferred to create a host of industries and economic organizations particularly those regarded necessary for building military might.

Japan, though small in geography and poor in natural resources emerged as an industrial giant of the modern world by the end of the nineteenth century. The initial condition of Japan in respect to industrialization had two important factors to be noted.

First was characterized by the revolutionary reforms introduced by the new government of Meiji. The tottering feudal structure began to crumble due to the introduction of dramatic process of modernization undertaken by the new government. Many Japanese went abroad to learn Western science and technology and associate with various social organizations, political organs and economic institutions.

At the same time the new government also invited foreign experts to Japan, almost in all walks of activity. Special steps were taken by the government to improve communications and transportation and established new industries such as spinning mills, textiles and cement, sugar factories, etc.

Secondly, more important was the persistence of the traditional spirit and traditional social structure. In spite of the tremendous changes due to modernization and reformation, the basic social structure, particularly the family system, remained unchanged in Japan. The very virtues of feudalism like group discipline, team-work spirit and the respect for hierarchy, did not turn against the introduction of industrialization rather they played an important role in the all-round development, specially in the process of industrialization.

But of course Japan had to face lot of difficulties to bring the process of industrialization in practice due to its inexperience and lack of appropriate organizations. As Scalapino has remarked "England opened trade relations of its own free will. But Japan was forced by the Americans to do so. English people are clever and good at industry, while the Japanese are not. England is very well developed and so are the people. But Japan is under developed, and so are the people. Many are still lazy and their abilities have not been developed. When England liberalised her trade, she was the

most advanced country, but Japan, at the time of liberation,<sup>7</sup> was inferior to every other country."

The new government directly controlled and developed certain services, such as the telegraph, the railways and other public utilities which proved extremely profitable from the very outset. Since the new government attached high priority to the armed strength and military might (because of the fear of colonial onslaught from the Western countries) it needed a foundation in industrial strength. An iron and steel industry was required to make armaments and to provide the machinery for the development of other industries. Thus, sophisticated machinery was brought by the new government from abroad and the old factories which were set up by the earlier regime were modernized.

Thus, the overenthusiastic efforts of new regime made Japan an industrial giant of Asia by the end of the 19th century. "Japan astonished the world by increasing her exports in midst of the depression ... and the future looked<sup>8</sup> bright for the Japanese."

---

7 Robert A. Scalapino, The Foreign Policy of Modern Japan, (University of California Press 1977) p.212.

8 Ibid., p. 213.

Since private capital was reluctant to invest in modern industries, the Meiji government developed modern industries particularly heavy ones under the state control. In fact, almost all the steps of the new regime regarding industrialization were directed towards the rapid modernization of Japanese economic and military sphere so much so that no power of the world could dare to interfere in its domestic policy. For this cause every Japanese was ready to render any kind of service and make any sacrifice. Eventually they dedicated themselves to speedy economic development. As Sir G. Sansom points out, "the main causes of Japan's spectacular economic advance were her disciplined and diligent man power, their simple standard of living and the attention paid by the government to the development of industry and trade in the national interest."<sup>9</sup>

Thus, the Meiji government laid the foundation of industrialization, with enthusiastic support of a loyal, patriotic and increasingly educated people by which Japan could emerge as an industrial power in the shortest possible time and had tremendous impact on her foreign policy.

The Meiji regime as soon as it came into power realized the paramount importance of military might in the modern world and gave priority to its build up. Immediately

---

<sup>9</sup> Chatterji, Op.cit., p. 25.

after the former feudal lords had returned the fiefs in their possession in 1869 the government formed its own army, established a garrison at six strategic points in the country, and introduced a military conscription law in 1872.<sup>10</sup> The Japanese were taught in schools as well as in military barracks about the glory of Japan's military tradition. A Japanese began to believe that his utmost important duty is to do every possible service to the Emperor and even his death on the battlefield for the cause of Emperor was the most glorious fate of him. As a result, every Japanese became a staunch nationalist, having strong devotion to the emperor which was inevitably needed for the fast military development. "The work of organisation and training was entrusted first to French and afterwards to German instructors; subsequently the services of foreigners were dispensed with, and the plan was adopted<sup>11</sup> of sending promising Japanese officers to study in Europe." Of course, Japanese people could not at the same time get rid of psychological injuries which they received at the hands of foreigners during 1853-54 when the foreign forces had forced Japan to open her doors to the outside world. Thus a

---

10 Nakamura Kiehisaburo, The Formation of Modern Japan (Tokyo: Kasai Pub., 1964), p. 6.

11 Robert P. Porter, Japan - The New World Power (London: Oxford University Press, 1915), p. 94.

revolutionary development could be seen in Japan's army and navy and in a short duration Japan emerged as a military power in the world community. This spectacular military success gave a new shape to Japan's foreign policy.

The growth of nationalism and the development of a strong commercial economy and military power had made Japan ready for an entirely new political and social order. The dismal decay of Tokugawa regime and the assumption of direct rule by the Emperor was not merely a restoration of monarchy as a form of government. The new regime had to face many difficulties like the movement of civil rights started by the intellectuals in 1873, which developed into a national movement for the convening of a Diet.

The government shrewdly tackled all prevailing problems, enacted a constitution in 1889 and also urged the Emperor to issue an imperial Rescript convening the Diet in 1890. With farsightedness and shrewdness the Meiji government gained the whole-hearted support of the people, and overcome the opposition of its internal and external opponents. Indeed, through her sustained efforts Japan joined the family of nations as an economically modernized and militarily powerful member.



## 2. The Japanese Approach towards the External World

The changes and developments that occurred in Japan since the nation was opened to diplomatic and commercial intercourse with the outside world during 1853-54, astonished the whole world. The shrewd and farsighted leadership of Meiji regime proved a boon to Japan which transformed her from a condition of economic and military backwardness into one of industrial and military might in a short duration.

After her emergence as one of the economic and military giant in the modern world, capable of preserving her independence and integrity, Japan came forward to play a role in world affairs. The Japanese could not overcome their hatred against the Western powers which were mainly responsible for ending Japan's isolation. "In the pre-Restoration period the national word was 'Expel the Barbarians' and this was followed by the slogan 'Revise the treaties' in the first half of the Meiji Restoration. Both were anti-foreign in character, both appealed to a nationalist emotion and thus they started Japanese policy on an anti-West<sup>12</sup> course".

From the very beginning the Meiji regime tried to step into the shoes of Western powers in order to gain their

---

12 Chatterji, Op.cit., p. 9.

support and to free herself from the shackles imposed on her. But the inevitable traditional spirit could not be altered by the process of Westernization. By the end of nineteenth century traditional nationalism began to take roots and showed that Westernization in Japan was not go beyond the industrial military and scientific matters. This extreme nationalism gave an aggressive overtone to Japanese foreign policy.

The Western powers had already involved in the mad race of imperialism by creating their colonies in Africa, Latin America and Asia. Colonial possessions became a fashion in Europe and also a sign of a nation's strength and success. After building herself as a strong nation Japan also embraced this fashion of European imperialism and began to look for colonies abroad.

The Japanese leadership could well realize that being a small and resourceless country she essentially needed raw materials to become a modern power in the world which is possible by acquiring her own colonies. They believed that creation of colonies would not only help in gaining resources but also play a paramount role in increasing Japanese industrial and military might. "Almost all the new industries depended on imported raw materials. Japan had her own supplies of coal and wool for fuel and silk for the growing silk industries, but needed to import more iron

13  
and cotton. The Japanese government was compelled to engage itself in imperialistic design due to her overdependence for raw materials caused by the revolutionary growth pace and progress of industrialization. "Since 1875 the value of Japanese imports has increased more than fifty fold, the principal items at present being raw cotton, wool, petroleum, iron ore, timber and machinery, More than 70 percent of the imports are raw materials or goods intended for further

14  
manufacture."

Political instability in China and Korea and their military backwardness enticed the Japanese leadership to seek external territories and gain economic advantages from the weaker states. In 1874, the Japanese armed forces captured Formosa temporarily and forced China to pay an indemnity. Just after two years, Japan exploited her military might against Korea and forced it to grant special privileges to her which were oft repeatedly demanded by western imperialist powers in Africa, Latin America and Asia. But the Japanese military might wondered the whole world in 1894 when Japan gave a crushing defeat to China over Korea and the Chinese

---

13. Prue Dempster, Japan Advances, (London, Methuen Pub. 1967), p. 176.

14 John E. Orchard, 'Economic Consequences of Japan's Asiatic Policy', Foreign Affairs, Vol. 12, No. 1 (Oct. 1933), p. 72.

government eventually recognised Japanese terms in the treaty declared the absolute independence of Korea; ceded to Japan the part of Manchuria lying south of a line drawn from the mouth of the river Auping to the mouth of the Liao through Feng-hwang, Haicheng, and Ying-tse-kow as well as the islands of Formosa and the Pescadores; pledged China to pay an indemnity of 200,000,000 taels; provided for the occupation of Wei-hai-wei by Japan pending payment of the indemnity; secured some commercial privileges such as the opening of four new places to foreign trade and the rights of foreigners to engage in manufacturing enterprises in China, and provided for the conclusion of treaty of commerce and amity between the two powers based on the lines of China's treaties with western powers.<sup>15</sup> This was the first strong and successful sign of Japanese modern military might and her marvellous start in her economic and political empire.

This dramatic triumph of Japan over China boosted Japanese morale and it also alarmed the western powers of the 'Japanese peril'. Soon in 1894, Britain agreed to surrender her right to extra-territoriality with the signing of a new treaty with Great Britain in 1894, Japan finally achieved her goal of equality in diplomacy.<sup>16</sup> The dawn of the twentieth

---

15 Scalapino, Op.cit, p. 98.

16 Yanaga Chitoshi, 'Japanese People and Politics' (New York, John Wiley, 1958), p. 365.

century brought Japan to a level where she could win the recognition from western powers as an equally powerful country of the modern world. As it was clearly demonstrated by Japan in 1902 by signing an Anglo-Japanese treaty which actually meant that Britain recognised Japan as an equal Asian power to the western powers, "when the two powers entered into a formal alliance for the maintenance of the independence of China and Korea. It was provided that if either nation were involved in war with more than one other power in defending this principle her ally would come to her assistance; and at the same time the two contracting powers expressly disavowed for their own part any aggressive intentions towards the region referred to.<sup>17</sup>

Just after two years of Anglo-Japanese Alliance a war broke out between an Asian Power (Japan) and a European power (Russia) in which Japan gave a sound beating to Russia and concluded a portsmouth treaty. "On September 5, 1905, a peace was signed which recognized Japan's suzerainty over Korea, while the southern portion of the island of Saghalien<sup>18</sup> was ceded to Japan, as were port Arthur and Dalny". The Japanese victory over a European power gave a formidable boost up to the imperialist and militarist design which was recognised in Japan as the most reliable instrument of

---

17 Scalapino, Op.cit., p. 114.

18 Mc Govern, Modern Japan (London, Unwin, 1920), p. 206.

Japanese strength and security. Of course, it was the first important event in which an Asian power gave a crushing defeat to any European power in modern times and also dispelled the doubts harboured by many nations about Japan that it is a western power in name not in its might.

Emboldened and filled with a sense of pride, Japan annexed the entire Korea in 1910. The first world war provided an opportunity to Japan to expand further. Japan declared war on Germany and involved herself in the first world war because of its already emergence as an Asian power and partly to fulfill its treaty obligations with Britain. Japan played her cards shrewdly during the war and picked up various gains in the East. "One of Japan's few gains at Versailles was a mandate over the formerly German-owned islands in the Pacific comprising the Marianne, Caroline,<sup>19</sup> and Marshall groups. Japan could suck up almost all the economic fruits in Asia due to the cut off of western business almost completely here, during the war. Thus Japan could make its deep inroads into rich Asian markets controlled by Europeans earlier. "There can be no doubt that the war has greatly benefited Japan, both financially and politically. She went into a debtor and has emerged a creditor. Not only did she

---

19 Dean P. Edyar, Foreign Affairs, Vol. 13, No. 3 (April 1939), p. 521.

oust the German trade in the Far East, but also secured much<sup>20</sup> of the English commerce in China, India and Australia.

No doubt, the emergence of war in Europe gave a golden opportunity for the expansion of Japanese economic and political empire which brought her a status of major power in the modern world. Japan participated in the peace conference held at Versailles in 1919 as one of the military and industrial giant of the modern world and acquired official recognition as one of the "Big Five" of the international order.

The end of war saw that a small poor country which seemed helpless just five decades before to cope with the menace of external invasion, emerged as one of the 'Five Big' nations of the modern world, at Versailles. Though, Japan could with her point but her failure to introduce the proposal of "racial equality" clause in the covenant of the league of Nations due to American and British objection alarmed Japan about the persistence menace to its security. A Japanese author said, "As had been expected, the United States and Great Britain objected to this proposal. On the other hand, France, Italy, Greece, Czechoslovakia and China supported it. Out of the Seventeen delegates present, eleven voted with Japan. But when the Japanese amendment was reported to the commission entrusted with the task of drafting the covenant,

---

20 Mc Govern, Op.cit., pp. 210-211.

President Wilson, as Chairman of that body, rejected it on the ground that it did not meet the requirements of the rule of unanimity, as Great Britain one of the governments represented in the commission had opposed the proposal. This argument was somewhat sophistical, for the rule of unanimity was not then a *chose-Jug'ee*, and was to be discussed in the commission together with the Japanese proposition.<sup>21</sup> This was one of the most significant period in the history of Japanese foreign policy in which continental policy or Asiatic policy received paramount importance in the Japanese approach to external world. Even earlier there was an opinion of military men and intellectuals that Japan should pursue a continental policy. "Premier Tanaka once said, "to conquer the world one must first conquer Asia, to conquer Asia one must first conquer China, to conquer China one must first conquer Manchuria, to conquer Manchuria one must first conquer Korea."<sup>22</sup>

The emergence of new international forces in the post war period, like the emergence of united states as a world power and Bolshevik Revolution in Russia have had their tremendous impact on Japanese foreign policy. Communist Russia began to help the Chinese nationalists in a joint

---

21 Ishii K. Viscount, "The Permanent Bases of Japanese Foreign Policy", Foreign Affairs (1933), p. 223.

22 Chatterji, Op.cit., p. 50.



drive against Japanese and western imperialism. The United States was demanding for a new deal for China and an end to the pre-war power alliances, particularly the Japanese - Anglo alliance, which had tremendously enhanced Japan's position in Asia. The dramatic expansion of economy and population explosion instigated Japanese government to consolidate and expand further her colonial empire that culminated into an aggressive foreign policy, directed by General Sadao Araki who was war Minister and mainly responsible for the second Japanese - Chinese war. "The campaign for the conquest of Manchuria was directed by Araki, he defied the League of Nations, ignored all the pacts about China, made Henry Pu-yi 'Emperor of the Empire of Manchukuo' by his announcement of 15th January 1934<sup>23</sup> and he insisted that Japan leave the United Nations on March 27th 1933". Araki infact considered British empire as a hurdle to the Japan's destiny in Asia. "As he said, "only a complete revision of British ideas on the subject<sup>24</sup> of Japan's destiny in Asia would remove the danger of War". Thus Japan's priority to pursue continental policy or Asiatic policy in her approach to external world became quite clear during this period. Withdrawing from the league of Nations,

---

23 James H. David, The Rise and Fall of the Japanese Empire (London: Allen and Unwin, 1951), p. 167.

24 David, Op.cit., p. 168.

Japan marched under the banner of a "Japanese Monroe Doctrine". The nation had started on an endless quest, the search for a military industrial base sufficient to render this "Monroe Doctrine" a viable international principle.<sup>25</sup> The political phrase "Monroe Doctrine" used off repeatedly by the Japanese to justify their policy in Asia. Occasionally other terms like "Asia for the Asiatics", "Pan Asia", "Special interests", "Back to Japan", "Asian coprosperity sphere", "the right to live", "paramount interest", co-prosperity zone, "Regional Unity" and "New order for Asia" are employed to explain the same notion. "Japan's Pan-Asiatic Doctrine was announced by the official spokesman of the imperial Japanese foreign Office on April 17, 1934. The announcement was followed by similar but more explicit statements by Japan's official representations in Washington, Berlin and Geneva, all of which were of the same spirit and contained the same fundamental principles : (1) Japan considers itself as primarily responsible for the maintenance of peace and order in East Asia, along with other Asiatic powers, especially China, (2) The time has passed when other powers or league of Nations can exercise other policies for the exploitation of China, (3) Japan intends in future to oppose any foreign activities in China which Japan regards as inimical and she

---

25 Silberman and Harootunian, Japan in Crisis, (Princeton University Press, New Jersey, 1974), p. 272.

26  
alone can judge what is inimical.

These three principles aired by Japanese government in her approach to the external world are a challenging show of Japan's strong assertion to play a role in international relations as an Asian power. But political slogans, such as "Back to Asia", "Pan-Asia" "Greater East Asian co-prosperity sphere" etc. were explained differently by different intellectuals. Some said that these slogans were used by Japanese as defensive one because of her aim was to protect Asia from the western imperialism. While other stated that these slogans were used by Japan to maintain her political and economic hegemony in Asia, particularly in East-Asia by eliminating all European and American political influence there. But, Japanese ambition to become the "Master of Asia" rather than to a "Guard of Asia" unveiled in next few years when her imperialistic action occurred in 1937 against China. This was the incident which started the second Sino-Japanese war which was not ended untill Japan herself had been destroyed in 1945.

Even during the war Japanese diplomats kept on airing these political catchy slogans to get support and sympathy of this regions people in the name of regional security but

---

26 C.C. Wang, "The Pan-Asiatic Doctrine of Japan",  
Foreign Affairs, Vol. 13, No. 1 (Oct, 1934), p. 59.

ultimately could not succeed in her mission. "In November 1943, a conference of Greater East Asian Nations was convened at Tokyo. Netaji Subhash Chandra Bose attended as the provisional head of free India. The conference issued a joint declaration announcing that Anglo-American domination of East Asia must cease, that greater East Asia must be left to East Asians, and that these East Asian Nations would collaborate to defend themselves and do inaugurate an era of economic prosperity and cultural advancement. Independence was granted to Bruma, Philipines and Indonesia and alliance was announced with past of China which was under Wang-ching-wei. The sympathy of Asian peoples which was thus aroused was lost by the greed and cruelty of the Japanese militarists<sup>27</sup> who ignored this East Asian charter".

The Japanese government kept a close watch and gave a deep thought to the emerging global trends during this period and soon realised the growing might of German and Italy whose defiance and aggression continued to go without any check and punishment. Japan also recognised that Germany and Italy are ambitious enough to become imperialist powers and finally she decided to join them. "In 1936 an Anti-Comintern Pact was signed between Germany and Japan. The

---

27 Chatterji, Op.cit., p. 76.

two powers were to act together to guard against the activities of the communist International. This was to lead afterwards to the Tripartite Pact between Germany, Italy and Japan in 1940. So Japan joined the fascist camp and the period of her dangerous isolation was over. This end of isolation in world affairs, gave a boost to Japanese imperialistic ambition to become a leader of Asia, ultimately culminated her heavy attack on the American naval base at Pearl Harbor on 7th December, 1941, without a prior declaration of war that involved both Japan and America in the second world war which had already started in 1939. The Japanese attack on Pearl Harbor could keep American hand away from East Asia for the time being and cleared the way for an easy conquest of south-east Asia. But this Japanese attack on Pearl Harbour proved as a bane for her might because it invited a strong American army, navy and air force against her which ruined Japanese power by dropping two atom bombs on August 6 and 9, wiping out the Japanese cities Hiroshima and Nagasaki. The erstwhile powerful empire saw its abysmal cataclysm and had no way except to surrender unconditionally before Allied powers on 14th of August, 1945. The Emperor himself announced the news of Japan's surrender on the radio on 15th August 1945 as "Let one entire nation continue as one family from generation to generation mindful of the long road before it. Unite

your total strength to be devoted to the construction  
of the future."<sup>29</sup>

Thus, the war came to an end with the defeat of  
an economically and politically powerful empire which  
brought Japan for the first time in her long history  
under foreign occupation.

---

29     Ibid., p. 85.

## CHAPTER II

### THE JAPANESE APPROACH TOWARDS ASIA SINCE 1952

\*\*\*\*\*

## CHAPTER II

### THE JAPANESE APPROACH TOWARDS ASIA SINCE 1952

#### 1. Economic Resurgence of Japan

The defeat of Japan in the second World War was a big disaster which led to utter economic devastation demoralization and privation of its people. It was the first country which had suffered nuclear attack on her important cities of Hiroshima and Nagasaki and suffered most in this devastating war. Japan's economy was almost paralyzed, major cities were demolished and above all the nation had to lose about 2.5 million people during the War.

Post-War Japan came under the administration of the Allied Powers (virtually, the U.S.A.) and on 6th September, 1945. General Douglas MacArthur received his official designation as the Supreme Commander for the Allied Powers. It was the first Japanese defeat which left her under American occupation, which wrote a remarkable chapter in the history of Japan by introducing so many reforms with the cooperation of the Emperor on her soil. General MacArthur took various steps to promote democratization and disbanded imperial armed forces and tried to mitigate militarism. The Japanese extended their full cooperation to these reformative steps of MacArthur by realizing rightly that it was almost impossible to Japan to re-emerge as a major military power in the modern nuclear world with its geographical limitations. At the same



time, the very survival of Japan was at stake due to abysmal economic fiasco gifted by war and there was no other way before her except to believe in the principle of interdependence, mutual trust, cooperation and peace. The world saw for the first time a unique type of relationships between the victor and the vanquished when America beared all pain to make the economic recovery of Japan while Japanese responded with surprizing cooperation to Americans in spite of the fact that America was mainly responsible for their calamity. "Under the guidance of <sup>the</sup> ~~of~~ Emperor Japan accepted her defeat in such a way that she earned the title of the "World's Worst Winner; Best Loser"<sup>1</sup>.

The Japanese who were highly educated, skilled and disciplined in the pre-war period did not miss any opportunity offered by post-war years to rebuild their devastated land unless she showed better signs of prosperity. They eagerly responded and happily accepted plethora of reforms sponsored by General D. MacArthur, like the establishment of a parliamentary democracy modeled after the British system, dissolving the armed forces, formation of free press and above all the induction of an anti-war clause in the new constitution of 1946. "The 9th article declared: "The Japanese people renounce war as a Sovereign right of the nation. Land, sea and air forces will never be maintained. Japan could become

---

1. B.R. Chatterji, Modern Japan (Meerut: Meenakshi Publishers 1966), p. 102.

"the Switzerland of the Pacific" was Gen. MacArthur's<sup>2</sup> prediction in 1946.

The changing trends in the global situation at the time of Japanese recovery, of course, gave a new shape to Japan's future. As soon as the war ended the entire gamut of the international relations was engulfed by a new kind of war termed as (Cold War'. The Union of Soviet Socialist Republic emerged as another super power of the world after the America in the end of the Second World War. The Cold War virtually divided almost the whole World into two camps known as Western camp under the leadership of America and Communist camp under the leadership of Soviet Union. The emergence of China in Asia as a Communist State in 1949 under the leadership of Mao alarmed Western powers about the increasing strength of communism and this development shifted the theatre of Cold war from Europe to Asia. Just after a year North-Korea backed up by Communist regime of Soviet Union and People's Republic of China attacked on South Korea popularly known as pro-Western country. This was the most important event which had its vital impact in shaping Japan's foreign policy in later years. Though, Japanese, after the war began to hate war and had deep longing for peace at any cost (showed by their acceptance of renouncing war article IX) got themselves quite failed

---

2 Ibid., p. 90.

to forget the growing threat of 'red expansionism' or communism due to her geographical location near U.S.S.R. and China. This fear of Japan ultimately culminated into a treaty of mutual peace and security with the United States, which provided an American commitment for Japanese protection from the outside threat and the continuance of American bases in Japan. Infact, America under the pressure of global circumstances wanted to cultivate Japan as a counter weight of communist powers so red expansionism could be curbed and coped up with full might. 'In his "The situation in Asia" (April 1949) Prof. Lattimore makes the position clear :- "America is not kept in Japan by a Japanese demand for protection against Russia. The ruling consideration is the American demand for a position of advantage against Russia ... The chances are increasingly in favour of Japan's ability to play America's need against<sup>3</sup> whatever Russia — and China — have to offer'. No doubt, G. MacArthur assessed entire Japanese situation in more pragmatic way. General MacArthur said that Japan was destroyed as a "military threat" for at least 100 years. Second, he believed that the defeat and the occupation have completely changed the hearts and minds of the Japanese people. They have become genuine converts to democracy and peace. Third, he believes that since Japanese democracy can

---

3 Ibid., p. 94.

be overthrown by only the 'extreme Right' or the 'extreme left' and since the 'extreme Right' has been destroyed or converted, the only actual danger is 'extreme left'. Hence the danger of Soviet influence in Japan. It is therefore urgent, in General MacArthur's view, to help and strengthen a 'democratic' Japan against the menace of communism and the Soviet Union.

Thus Americans revolutionized the steps of Japanese recovery and Japanese with full enthusiams, drudgery and dedication translated these steps in the glorious success. It was at this time on September 8, 1951, in San Francisco, 49 countries signed a peace treaty with Japan. The Japan and U.S. security treaty was signed on the same day but both treaties took effect on April 28, 1952. Japan, thus regained its independence and made progress in economic reconstruction. Though American occupation aided and played an important role in the transformation of Japan but, no doubt, Japanese themselves deserve most of the credit for what they have gained in post war years.

After independence in 1952 Japanese government gave priorities for her recovery from the losses of World War II and for the building of an economic strength with active

---

4 W. Macmahon Ball, "Reflections on Japan", Pacific-Affairs, Vol. XXI, No. 1 (March 1948), p. 3.

cooperation of United States. In order to nurture Japan, a stable and a prospering democracy U.S.A. provided opportunity to Japan regain access to world market and raw materials. But in a true sense, Japanese upliftment started after Korean war. "It was not untill the Korean war in 1951 brought orders for \$ 46 million worth of goods from the U.S.A. and until Japan became a base for U.N. forces that Japanese industrial production began to climb back to pre-war levels!"<sup>5</sup>

Japan has achieved a remarkable record of recovery, rising from the ashes of defeat in 1945 and has emerged an economic power in the world community. But before proceeding further on her economic might, it is desirable here to discuss those important factors in brief which have contributed a lot in the Japanese exponential economic growth in the post-war years.

One of the remarkable facts which should be taken notice of was the sharp decrease in the defence expenditure. Under the post-war Constitution Japan was forbidden to maintain any armed forces. In the pre-war period a large amount about 50 percent on the average, of government expenditure was for military purposes. But in post-war years expenditure on military was merely 1 percent of her GNP, and

---

5 Prue Demosfer, Japan Advances (London: Methuen Publishers, 1967), p. 180.

after 1952, Japanese defence became directly the responsibility of the USA. Thus, the Japanese could utilise all their might for the economic progress.

Another important force which played a leading role in the economic development of Japan was technological innovation. Though during and immediately after the war, technological developments in Japan could not show any sign of progress. But the introduction of democratization and modernization in Japan by occupied forces promoted the technological innovations in production through the change in the consumption pattern. Japanese who were already well educated, skilled and disciplined enough with entrepreneurial ability could produce positive output with remarkable efficiency. In 1950s technological innovation was on its height which included the introduction of synthetic textiles, petro-chemicals, electronics, etc.

Excess labour force was another important factor for the surprising economic growth in Japan in Post-war years. The post-war Japanese economic growth has grown at faster pace than before the war. The rapid expansion of industry needed sufficient labour supply which was provided by agricultural sector. "Manufacturing income is now four times as great as farming income, and industry employed 35% of

the total work force in 1967 compared with 19% in farming.<sup>6</sup>

A leading force which revolutionised the economic progress of Japan, of course, was the post-war economic reconstruction. General MacArthur pursued an economic democratization policy by which agricultural land reforms introduced, labour unions were organised, and financial groups (Ziabatsu) were dissolved. These three major reforms had a significant impact on the economic progress of Japan by contributing towards the expansion of the home market in Japan, which ultimately stimulated investment in general. The Japanese post-war economy was marked by the increased incomes of the labourers and farmers and by the expansion of the domestic market.

Above all the farsighted steps of the Japanese government and the discipline and dedication of Japanese people played a paramount and vital role in the tremendous economic progress and prosperity in post-war Japan. Just after the end of the war, Japanese leadership well realised its betterment in the economic reconstruction and gave priority to economic recovery of Japan. People of Japan with full enthusiasm devoted themselves for the cause of Japan's economic progress.

---

6 Ibid., p. 180.

With the help of above-mentioned positive forces Japan has achieved an economic miracle in post-war years. 'Her prosperity grew so that by 1966 her income per capita was equal to that in Italy, double that in Portugal and ten times that in India"<sup>7</sup>. Japan could show the sign of improvement in her trade as well. "In terms of value, Japan's trade has shown a remarkable recovery since the end of the war. The total value of exports and imports in 1950 was more than four times higher than in 1946, reaching \$ 770,000,000 for imports (including United States aid to Japan)<sup>8</sup>. The Japanese Government and business leaders were in close contacts on industrial policies. Japanese gave priority for increased production with efficiency, expanding domestic and foreign markets and making its prices competitive. "Between 1946 and 1953 the rate of growth of the gross national products was 11 percent per annum, between 1953 and 1962 it was 9.5 percent. The Japanese per capita income is one of the highest in the world, though it is much smaller by American and West European standards. It rose from \$ 183 in 1953 to \$ 580 in 1964 and was estimated to reach \$ 600 in 1965"<sup>9</sup>. The Japanese raised their real income

---

7 Ibid., p. 180.

8 Ryutaro Takahashi, "Trade Policies of the New Japan", Foreign Affairs, (January 1952), p. 289.

9 Chatterji, Op.cit., pp. 111-112.



from a level of poverty to prosperity in one meager duration of only two decades after she regained independence. "In 1960 Japan's share of world gross national product was 3 percent and America's was 36 percent. In 1980 Japan's share grew to 9 percent and by 1986 it was 12 percent, slightly more than one half of the U.S. figures of 23 percent. In 1987 Japan surpassed the United States in per capita GNP in dollar denominated terms. Japan has also become increasingly influential in international finance as a result of its high saving rate and the Yen's appreciation. Japanese financial institutions held 36 percent of total international bank assets at the end of June 1988, compared with 14 percent for American institutions. Japanese actions, like it or not, now have a major impact on world financial markets<sup>10</sup>". This surprising constant economic growth of Japan have had its deep impact on Japan's foreign policy. Now Japan's economic influence is not only confined to Asia rather it has alarmed almost entire world. The Japan an economic giant of the modern world, may use its economic might as the diplomatic tool to maintain her influence and hegemony in international relations. "Japan is no longer the poorest member of the rich men's club or even an under developed country but has infact become one of the richest members of the rich men's

---

10 Saburo Okita, "Japanese Quite Strength", Foreign-Affairs, No. 75 (Summer 1989), p. 128.

club. Japan may use her foreign aid as a diplomatic device to spread its influence in the third world." "In February 1989 Prime Minister Chatichai Choonhavan of Thailand<sup>11</sup> accounced: "The world economic war is over, Japan has won."

Thus, this historic economic resurgence of Japan which has made her one of the most powerful economic giant of the modern world, will have its own paramount role in shaping the future of the Asia in particular and the world in general.

## 2. Japan's Role in Post-War Asia

Japan, the place of rising sun, is a country of several islands grouped together. At one end it touches the Russian territory on the West and American borders on the East. This geographical situation of Japan has given her a strategic significance due to the fact of which Japan has played an effective role in the Asian affairs. As soon as Japan emerged a major power in the beginning of the twentieth century, she began to give utmost importance to this region which has already been discussed in detail in the last chapter. The catchy slogans like "Asia for Asians"

---

<sup>11</sup> Bruce Koppel and Michael Plummer, "Japan Ascendancy As A Foreign - Aid Power", Asian Survey, Vol. XXIX, No.11, 1989.

and "Greater East Asian coprosperity zone" aired by Japanese leadership in the pre-war period could attract Asian people's sympathy in the beginning when they recognised Japan as an 'Asian roof' which will protect them against the Western 'imperialist rain.' In other words Asian people meekly considered Japan as their 'guard' against foreign threat. But soon they realised that over ambitious Japan wanted to cultivate herself as their 'Master' rather than their 'Guard'. Despite the fact that this over-ambitious and imperialist design of Japan was largely responsible in breaking down the shackles of Western colonialism in almost entire Asia, even, after this, public opinion in this continent turned severely against her, due to their unprecedented devastation caused by Japan during the Second World War. Of course, the strong sense of nationalism, racial equality and confidence among Asian was the by product of Japanese victory over European powers, such as Japanese forces defeated Russia in 1904-5. "We may say that it was Japan which started the revolution in 1941-42 which swept over Asia and has changed today the very nature of world politics. With the war cry 'Asia for Asians' Japanese forces over-ran French Indo-China, British Malaya and Burma and Dutch Indonesia. The tide of Japanese advance rolled to the eastern gate of India. The surrender of British army at Singapore dealt a staggering blow to the European hold on Asia and the position could not be retrieved.

Whatever might have been the mistakes committed by the Japanese militarist in the countries they 'liberated', the Viatnamese, the Indonesians and the Burmese would not accept again their former European masters. 'The propaganda of 'Asia for the Asiatics' was not silenced by Japan's defeat in war .... what Japan did so successfully was to destroy the 19th century structure of colonial empire in Asia"<sup>12</sup>. But the second World War ended in Japanese defeat which brought her under the foreign rule. Japan's pre-war deeds have had deep impact on the Japan's foreign policy particularly in the context of Asia.

After the Second World War, a number of new and independent nations emerged in the Asian continent due to the collapse of Western imperialist might in this region. But soon these nations were involved in the Cold war structure and virtually divided into two blocks known as Communist and non-Communist one. Japan, which was already under the American occupation could also regain her independence in 1952 and became an important ally of the U.S.A. The San Francisco Peace Treaty brought an end of Allied occupation and opened a new age in Japan's approach to the external world. But the unprecedented catastrophe

---

12 Chatterji, Op.cit., p. 102.

of the Second World War had left deep wounds in the minds of the people who kept on harbouring doubts about the Japan's honesty and docility. "New Zealand and Australia shared the fears of other Pacific states that Japan might, even without violating the treaty terms, rearm and become a menace again in the Far East'<sup>13</sup>. It was seen at the time when the Japanese Premier Yoshida attempted to clear these doubts before peace treaty by saying that the "Japan of to-day is no longer the Japan of yesterday, we will not fail<sup>14</sup> your expectations of us as a new nation'.

Since the emergence of Japan as a modern polity, Japanese leadership has shown more interest in East and Southeast Asia due to an immense importance of these regions to Japan. In comparison to these region, Japan was least concerned with rest of the Asian parts in the pre-war as well as in the post-war period. This over-interest of Japan in the East and South East Asia stirred her for an unprecedented and widespread ruin of these regions which suffered most in Asia during the second world War. It was the main reason that East Asian and southeast Asian countries with their sense of insecurity reacted in a very hostile manner

---

13 Tach and Wehrle, "International Politics in East Asia" (New York: Praeger Publishers, 1975), p. 156.

14 Ibid., p. 157.

against Japan during during and after the 7 years of Allied occupation in 1952. Even the San Fransisco Peace Treaty (concluded by 48 nations with Japan on September 8, 1951) was failed in mitigating the sense of fear and insecurity of East Asian and southeast Asian nations.

Consistent efforts were made by the Japanese leadership in the post-war years to promote Japan's good relations with East Asian countries particularly with Korea and China which are very important to Japan from their geographical point of view.

As in the pre-war period, the Japanese leadership always advocated that Tokyo must capture the Korean peninsula in order to protect Japanese integrity and her economic and political empire in the Asian continent because this peninsula was the most clear and suitable route for foreign aggression on the Japanese islands. In post-war years when the Korean peninsula was divided into South Korea and North Korea, Japan recognized south Korea and renewed its efforts to improve her ties with South Korea and had no official dealings with North Korea. But relations between the South Korea and Japan remain strained because of the colonial experience left a legacy of deep doubts between the two countries. "Memory of the past governed personal and official attitudes on both sides, and the legacy colonialism got in

the way of rapid settlement of difficulties"<sup>16</sup>. The doubts, in the minds of the Korean people that Japan may try again to maintain her hegemony in their country, were later strengthened by President of South Korea Syngman Rhee for his own political interests and remained as the wall between the two nations good relations. "In 1957 the London Times questioned whether Rhee could accept the possibility of a fair settlement with Japan, whose people" he had persistently denounced as untrustworthy and incorrigibly aggressive"<sup>17</sup>. "In December 1955, the well known Japanese Christian leader, Toyohiko Kagawa, made an eloquent appeal in an open letter to President Rhee, which was printed widely in the Japanese press. Kagawa wrote:

"As Saul tried to kill David, the Japanese tortured your Excellency and oppressed your people. In the name of Christ I apologize to your Excellency, and appealing to your Christian conscience, beg for your forgiveness. Forgive like the Lord who forgave this enemies on the cross and bring ...

permanent peace between Great Korea and Japan."

Pressing his appeal, Kagawa drew examples from American history:

---

16 Olson Lawrence, Japan In Post-War Asia (New York: Praeger Publishers, 1970), p. 102.

17 Ibid., pp. 109-110.

"There was a time when the United States was a colony of Great Britain. Angered by Britain's oppression of the colonies, George Washington stood up and fought against England to achieve today's independence. However, at present old hatreds are forgotten ... I wish the relationship between Great Korea and Japan would be like this."<sup>18</sup>

In spite of U.S. role as a mediator the relationship of South Korea and Japan kept on rolling in old drums until Rhee had fallen from power in 1960. Rhee's departure opened a new era of healthy relations between the two countries when they signed a treaty on June 22, 1965 that settled the reparation question which was a major dispute between the two. In this treaty, "Japan pledged to extend \$ 500 million in government aid. Of this, \$ 300 million was in outright grants and \$ 200 million in twenty years loans at 3.5 percent interest, with a seven years moratorium on repayment. The loans were to be extended through the new overseas Economic Cooperation Fund. In addition the Japanese government agreed to facilitate private credits of another \$ 300 million to South Koreans. All this compensation was made in a form that stressed economic cooperation, not reparations,

---

18 Ibid., p. 110.



a word already distasteful enough to the Japanese public<sup>19</sup> and impossible to stomach where Korea was concerned. By the end of the decade, economic relations between the two countries could improve to a pleasant point. "The cumulative total of investments in South Korea, which was only about \$ 15 M. by the end of 1969 fiscal year, had already reached \$ 47 M. by July 1970 and \$ 650 million by March 1973, with the Japanese investment inflow at nearly \$ 103 million in the first quarter of 1973 alone"<sup>20</sup>. Though South Korea has been one of the important recipient of Japan's economic assistance but their relations were not free from the Chill as well. But Japan, infact, could come closer to South Korea under the leadership of former Japanese Prime Minister Nakasone who always kept Japan's global role in his mind and improved relations with south Korea at faster pace by convincing President Chun. "When Nakasone became Prime Minister, he soon established a personal relationship with President Chun and a compromise settlement of the aid question was reached. Japan agreed to provide \$ 1.85 billion in yen credits over a seven year period as well as \$ 2.15 billion in non-concessional credits.<sup>21</sup> Now the maturity of their cardinal relations can be easily seen

---

19 Ibid., p. 113.

20 R.P. Sinha, "Japanese Foreign Investment", The World Today, Vol. 31, No. 4 (April 1975), pp. 144.

21 William L. Brooks and Robert M. Orr, Japan's Foreign Economic Assistance.

in their fast improving trade relations. "Two way trade between Japan and Korea reached \$ 27 billion in 1988, a forty fold increase over the last two decades that made Korea Japan's second most important trading partner after the United States".<sup>22</sup>

China, another important country to Japan in East Asia, emerged a communist country in post-war years yielded so many diplomatic delicacies because of being an ally of U.S.A. Japan, in the pre-war period spent large amounts in Manchuria and tried to control the commerce of China and even desired to have good commercial relations with China due to her richness in resources and vast market. But due to the emergence of cold war and virtually under the pressure of America, Japan recognized Nationalist China (under Chiang Kai Shek) as legitimate entity and concluded a separate peace treaty with Taiwan in April 1952 which caused envy to China. "Premier Yoshida in a letter to secretary of State Dulles insisted that Japan wished ultimately to recognize Peking and to have normal relations with that regime. Yoshida meant to leave the future open; but the treaty had the effect of acknowledging the legitimacy of the Chinese Nationalist regime as the government of China and made a

---

22 Saburo Okita, "Japan's Quite Strength", Foreign Policy, No. 75 (Summer 1989), p. 136.

23

peace treaty with Peking impossible". Though, their unofficial trade was continued due to their historical and cultural affinity but official relations between the two countries could not be resumed for almost two decades, the revolutionary economic progress of Japan in 1960s and the attractions of the vast market of China, renewed Japan's enthusiasm and eagerness to give a new thrust to their relations. On the other hand China was also interested in getting economic and technological assistance from Japan in order to modernize itself. In the meantime, the cold war between America and China came to end due to the shrewd diplomacy of Henry Kissinger, Secretary of State. The process of 'Detente' between America and China soon saw the visit of U.S. President Nixon to Peking in 1972. Thus, Japan, for the first time in the post-war years could get an opportunity to revive her relations with China by recognizing it in 1972 which was the major conflicting issue between the two nations. Since the process of normalization started in 1972, both countries have shown fast growing pace of their economic relations and finally Japan and the People's Republic of China concluded a Treaty of Peace and Friendship in 1978. Since then both countries have displayed their over-enthusiastic interest in improving their diplomatic and economic ties. Now China has taken a very significant place in Japanese

---

23 Lawrence, Op.cit., pp. 74-75.

foreign economic policy similarly, Japan looms large in Chinese foreign economic policy. "Trade levels now range between \$ 9 and \$ 10 billion annually, Japan is committed through private and official means to assisting China in its modernization efforts. Japan provides China with much needed capital and technology, while China supplies Japan oil, coal and other materials. Since 1979 Tokyo has designated China as a priority aid-recipient and has allocated about \$ 3.5 billion in yen credits mainly for rail road and port construction projects. Loans were also made for a petrochemical project at Daqing and an iron mill at Baoshan. In addition, Tokyo has funded by grant-aid a thousand-bed hospital in Beijing as a symbol of Sino-Japanese friendship and is involved in a major agricultural technical assistance project in Northeast China. In 1982 China became the top<sup>24</sup> recipient of Japan's bilateral ODA.

In recent years, the U.S.S.R under the leadership of Gorbachev has also adopted a soft attitude towards Japan. Gorbachev in his Vladivostok speech on 28 July 1986 recognized Japan "as a power of paramount importance" and in Beijing on 17 May 1989, he expressed Soviet Union's "keen<sup>25</sup> interest" in developing close relations with Japan. This

---

24 Brooks and Orr, Op.cit., pp. 331-2.

25 Indian Express, August 17, 1989, p. 8

development has further encouraged China to develop stronger ties with Japan. China seems to be keener to come close to Japan, keeping in mind Soviet Union's overtures of wooing it. Li Peng Prime Minister of China visited Japan and received warm welcome there. Japan has now become a big source of technology to China, and the latter has emerged as the largest trading partner of Japan after Hong Kong.<sup>26</sup> In August 1988 Takeshita pledged a package of soft loans and other assistance for 1990 through 1995 totaling 810 billion yen ( \$ 6.3 billion in 1988 dollars).<sup>27</sup> Now Sino-Japanese relations are not only stronger in economic field but overall relations are fast getting matured. In 1987, 418,000 Japanese visited China and 73,000 Chinese visited Japan figures that are 18 times higher than 10 years ago. In comparision, 315,000 Americans visited China in 1987.<sup>28</sup>

Japan's relations with Taiwan during post-war years remain very close. The most important factor in their good relations was Japan's recognition of Taiwan regime as the legitimate government of China. Only in 1972, Taiwan threatened to severe diplomatic relations with Japan when Japan recognized People's Republic of China but soon agreed to a new situation in which Japan and Taiwan exchanged "un-official" missions and continued their trade. Both the

---

<sup>26</sup> Ibid., p. 4.

<sup>27</sup> Okita, Op.cit., p. 135.

countries are in close contact with each other and further strengthening their ties.

The economic miracle has urged Japan to play a more important role in East Asia. Japan has already started to spread its influence in this region by using economic aid as a diplomatic tool which is clearly seen in its approach to its neighbours in East Asia. Though Japan's relations with its East Asian neighbours are displaying good progress, suspicion and bitterness towards Japan has been a major legacy of World War II. A clear indication of this was seen in September 1984 South Korean President Chun Doo Hwan's first visit to Tokyo. Emperor Hirohito had to give a carefully prenegotiated speech regretting Japan's role as the colonial ruler of Korea in the decades before the Second World War.<sup>29</sup> In 1986 Japan's newly appointed Education Minister, Masayuki Fujio, was forced to resign because of Chinese and Korean protests over his support for revisionist school history text books and his ill-considered remarks implying Korean complicity in Japan's 1910 annexation of the country. Prime Minister Nakasone publicly apologized for the incident. More recently in May 1988, another right-wing Minister, Sissuke Okuno, was forced to resign for remarks that sought to whitewash Japan's responsibility for the

---

29 Barry Bujan, 'Japan's Future: Old History versus new roles' International Affairs, Vol. 64, No. 4 (Autumn 1988), p. 558.

outbreak of war with China in 1937.<sup>30</sup> Though 45 years have elapsed since World War II but South Korea still forbids<sup>31</sup> the showing of Japanese films in the country.

The Southeast Asian region is the most important region to Japan's economic and political interests in Asia. Keeping in mind the vital significance of this region to its objectives the Japanese leadership has tried to keep political, economic and cultural hegemony of Japan over this region in the prewar period as well as in the post-war period. As pointed out by Wanaudi, this is true first, because more than 80% of Japan's energy and 60% of its raw material requirements pass through southeast Asia. Second, Southeast Asia itself is important to Japan as a market, a source of raw materials and food stuffs, and as a field of investments.<sup>32</sup> The Japanese leadership in its foreign policy always gave priority to maintaining good relations with Southeast Asian nations and particularly since 1952 the Japanese diplomats have shown renewed interest in this region as a trading partner, a source of raw materials and a place for political influence. Thus, right from its

---

30 Ibid., p. 558.

31 "Japan and The Third World", The Economist, June 17, 1989, p. 17.

32 Jusuf Wanandi, "Politico-Security Dimensions of Southeast Asia", Asian Survey, Vol. XX, No. 7, (July 1980), p. 779.

independence, Japan has been making overtures to Woo south-east Asian countries which still abhor Japan's atrocious role during the second World War which had left deep scars and suspicions in Southeast Asia. It was the reason that countries of Southeast Asia like Philippines, Indonesia, Vietnam and Burma strongly opposed the San Fransisco Peace Treaty. These countries manifested their reactions in their demand for reparations and territorial security. The Philippines and Indonesia initialled the treaty but refused to ratify it until reparations agreements satisfying their claims were reached.<sup>33</sup> Though Japan started talks with these countries on the question of reparations as early as in 1951 but without positive results because of the stiff stand of both parties. Ultimately Japan could reach to a point of solution on the question of reparations with Burma in 1954 which also led to agreements with Philippines (1956), Indonesia (1958) and Vietnam (1959). A Burmese delegation arrived in Tokyo in the summer of 1954 and within three months signed a reparations agreement that was ratified by both countries in the spring of 1955.<sup>34</sup> Reparation agreement for Philippine came on April 27, 1956, was ratified by the Diet on June 4 and by the Philippine Senate on July 10. It went into effect on July 23, and diplomatic relations were

---

33 Lawrence, Op.cit., p. 16.

34 Ibid., p. 22.



35  
restored. Reparations for Indonesia were not settled until 1958, when the amount was set at \$ 223 million over twelve years, plus \$ 400 million in private loans and investments. In addition, a trade debt to Japan of \$ 117 million which had been deliberately unpaid for years, was cancelled. Finally in May 1959, a small reparations agreement was signed with South Vietnam, to be used ulmost entirely for construction of a hydroelectric project on the Da Ninh River. Other agreements in lieu of reparations were later made with Laos  
36  
and Combodia.

The reparations payments which Japan had agreed to  
37  
make to the four claimant countries are as follow.

---

35 Ibid., p. 25.

36 Ibid., p. 26.

37 Itagaki Yoichi, "Reparations and Southeast Asia",  
Japan Quarterly, 1959, p. 441.

TABLE - I

Reparations

Economic Cooperation (Unit U.S. \$ 1,000)

Country	Amount	Terms (Year)	Average Annual Payment	Amount	Terms (years)	Remarks	Total
Burma	200,000	10	20,000	50,000	10	Investment in kind in	250,000
Philippines	550,000	20	25,000	250,000	20	Commercial loans	800,000
Indonesia	223,080	12	20,000	400,000	20	Commercial loans and investments	800,000
Vietnam	39,000	5	10,000	7,500)	5	Government loans	55,600
				9,100)	5	Commercial loans	
Total	1,012,080	-	75,000	716, 600	-	-	1,905,000
Laos				2,777	2	Economic & technical assistance	
Cambodia				4,166	3		
				6,944			1,912,624

Source : Yoichi Itagaki, "Reparations and Southeast Asia", Japan Quarterly,  
1959, p. 441.

After getting rid of the major issue of reparations, Japan started expanding its economic ties and trade relations in Southeast Asia, particularly with ASEAN countries (The Philippines, Malaysia, Singapore, Thailand and Indonesia). Japan emerged soon as the preeminent partner of the Southeast Asian nations particularly the ASEAN states because her economic miracle had made Japan their main trading partner and their biggest source of the economic and technological assistance. Nonetheless, approximately 83% of Japan's development aid was directed to the developing Asian region<sup>38</sup> and about 67% to Southeast Asia in 1969. In a very short span of time Japan emerged as one of the most powerful trading partner in the Southeast Asian region. By the late 1960s, Japan was the leading investor, aid-donor and trading partner of Southeast Asia and his preeminent position was<sup>39</sup> further strengthened during the decade of the 1970s.

---

38 Akira Onishi, "Japanese Interests in Southeast Asia-- A Japanese View", Asian Survey, Vol. XI, No. 4 (April 1981), p. 415.

39 Donald C. Hellmann, "Japan and Southeast Asia: Continuity Amidst Change", Asian Survey, Vol. XIX, No. 12, (December 1979), p. 1193.

TABLE - II

Japan Southeast Asian Trade 1978 (Millions of U.S. \$)

	Exports	Imports	Total	Trade Balance	Rank of Japan in Other Nations Total Trade
Brunei	51	1403	1454	-1352	1
Burma	232	51	283	181	1
Hong Kong	3112	501	3613	2611	2
Indonesia	2114	5284	7398	-3170	1
Malaysia	1168	1911	3079	- 743	1
Philippines	1559	1066	2625	493	1
Singapore	2345	878	3223	1467	1
Taiwan	3615	1764	4379	1851	2
Thailand	1541	849	2390	682	1
Vietnam	218	51	269	169	1
Total	15,737	13,758	29,495	+1,979	-

Source: International Monetary Fund, Direction of Trade Yearbook 1979.

The formation of many regional organizations and their wide scope of activities further made Japan's relations with southeast Asian countries stronger cordial and ever growing. Such organizations are the Asian productivity organization, the Asian Development Bank etc. The importance of Japan and the Southeast Asian nations to each

other was recently manifested with ASEAN where the member countries are now placing great hope on the role Japan can play to increase cooperation between ASEAN, the international world, and other regional organization.<sup>40</sup>

The end of the Vietnam war in April 1975 brought so many changes in the international relations of Southeast Asia. Japan badly realized to play more significant role in this region which ultimately culminated in the "Fukuda Doctrine" of 1977 which showed, in the opinion of political analysts, a sign of Japan's desire to play an increased role in global affairs, Asian affairs and particularly economic and political affairs of Southeast Asia. In August 1977, Prime Minister Takeo Fukuda attended a Summit meeting of ASEAN, visited the five member states plus Burma, and set forth a set of goals of Japan's policy towards Southeast Asia. What has come to be called the Fukuda Doctrine had four major points : (1) Japan will not become a military power; (2) Japan will promote "heart to heart" understanding with ASEAN Nations in all fields; (3) Japan will cooperate with ASEAN as an "equal partner" while working for stable relations with the Indochinese nations; (4) Japan will double aid in five years, while increasing imports from and investment in Southeast Asian nations".<sup>41</sup> Thus, by the declaration

---

40 Wanaudi, Op.cit., p. 779.

41 Hellmann, Op.cit., pp. 1195-6.

of this doctrine it was quite clear that Japan was intended and interested in expanding its scope of activities particularly, economic one, in this region. The countries of this region whole heartedly accented for this new increased and more effective role of Japan. Since the end of the vietnam war and with the growing presence of the Soviet Union in Vietnam the Japanese role of mediator between ASEAN and Vietnam has become increasingly accepted. ASEAN countries are beginning to see Japan as a supplementary source of military aid as well; some southeast Asian leaders<sup>42</sup> even want Japan to send them arms.

In the mid of 1980s, sign of detente between the two super powers and the growing economic and technological might of Japan, have further strengthened the roots of Japanese ties in the Southeast Asia. Japan, now has assumed role as a regional leader in Asia but particularly it is concentrating in Southeast Asia which has got priority in the Japanese foreign policy. Former Japanese Prime Minister Takeshita went to Manila in mid-December 1987 to attend the Association of Southeast Asian nations (ASEAN) Summit meeting where he announced the establishment of a new \$ 2<sup>43</sup> billion ASEAN-Japan Development Fund. Japan has been

---

42 Shin'chi Ischimura, "Japan and Southeast Asia", Asian Survey, Vol. XX, No. 7, (July 1990), p. 761.

43 Haruhiro Fukui, "Japan in 1988", Asian Survey, Vol. XXIX, No. 1 (January 1989), p. 3.

consistently deepening its economic interest in Southeast Asia mainly the members of the ASEAN. About two third of Japanese foreign aid is directed to Asia in which major share is sucked up by Six ASEAN countries. It is perhaps Japanese inclination to spread its hegemonial wings over this region.<sup>44</sup>

Strating from reparations and continuing through technological and economic assistance Japan's relations in post-war years with Southeast Asian nations have been considerably cordial. In spite of Japanese undoubted economic hegemony and increased role in this region, Japan has been unable to mitigate the memories of her heinous and hatred role played by her during the Second World War. Therefore, suspicions and signs of fear are still persisting in this region. When the erstwhile Prime Minister Kakuei Tanaka visited the ASEAN countries in January 1974, he encountered virulent anti-Japanese demonstrations virtually wherever he went.<sup>45</sup> Raul Manglapus, Foreign Minister of the Philipines, who spent two years fighting against the Japanese during the war, replied bluntly when asked how much influence Japan has in his country : "Thus far, none".<sup>46</sup> Although anti-

---

44

45 Okita, Op.cit., pp. 136-7.

46 "Japan and the Third World", The Economist, June 17, 1989, pp. 16-17.

Japanese feeling seems to be declining somewhat with one passage of time and with the growing realization that their interdependence is indispensable for their betterment, stronger and closer economic relations between Japan and Southeast Asia are contributing much to their mutual well-being.

South Asia, though not so close to Japan as east and Southeast Asia also become a focus of deepening economic interest for Japan. Since Japanese relations with the South Asian countries have been discussed at length in the subsequent chapter, here we pass on to the Japanese interest in the West Asian region.

West Asia could not attract Japan during the pre-war period as well as in post-war period because Japan's foreign policy could not concentrate on this region probably because of its distance from Japan. But it was the oil crisis of 1973 which ushered Japanese diplomacy in this region. The cumulative impact of a series of international crises in the 1980s that began with the Arab oil embargo in 1973 had<sup>47</sup> profound effects on Japanese foreign policy. Japan played her cards shrewdly during Iraq-Iran war and succeeded in maintaining diplomatic relations with both the countries.

---

47 Brooks and Robert, Op.cit., p. 326.



Japan also showed keen interest in getting a peaceful solution of Iraq-Iran through visits by the Japanese foreign Minister and other officials. Japan tried to bring the two sides together in peace.<sup>48</sup> On the issue of Arab-Israeli conflict, Japan took a clear position by supporting the United Nations Security Council Resolution 242 and demanded Israeli withdrawal from the occupied territories but upheld Israel's right to exist as a nation state. In fact, Japan's oil dependency largely in this region, has urged Japan for not being align to any side strongly rather concentrated on a peaceful solution.

Thus, Japan which was not attaching even meager importance to West Asia began to show increasing interest in this region since the oil crisis because of its own oil needs and so Japanese relations with West Asian countries improved in later years through the Japanese import of oil and her economic and technological assistance to these countries. Japan provided economic aid to Iran, Iraq and Afghanistan for the purpose of rebuilding their war shattered economies. Sticking to the long-cherished ideal of its foreign policy in the post-war period, i.e., maintenance of

---

48 Okita, Op.cit., p. 140.

peace and order in the world, Japan has condemned Iraq's occupation of Kuwait. Japan has supported the U.N. economic sanctions against Iraq and assured to provide \$ 1 billion in economic aid to American troops which have landed in Saudi Arabia to maintain peace in West Asia by compelling Iraq to withdraw its troops from Kuwait.

Thus, Japan's approach towards West Asia has produced good results. Japan is keen to play a more expanded role in this region, as in the entire Asian continent. It is indicated clearly by Japan's immediate acceptance of the economic sanction against Iraq and her economic support to American troops in Saudi Arabia.

The paramount interest of Japan in Asia in the post-war years remains economic rather than political. The economic needs of Asia offered an opportunity to Japan to maintain her economic hegemony and assume the role as the leader of Asia. Japan has been exploiting this opportunity in the best and shrewdest possible way since 1952.

Japan realized in the later years of 1960s that Asian development affects her own welfare, and thereby began to follow such policies which could both promote Asian stability and increase Japan's economic and political role in Asia. Though some doubts still remained but interdependence pointed towards a more liberal policy.

TABLE - III

Geographical Distribution of Japan's Bilateral Oversea  
Development Aid (net disbursement in millions  
of U.S. Dollars)

	Total	Asia	Middle East*	Africa	Latin America	Eur- ope	Ocea nia	Unclassi fiable.
1979	1,921.22 (100.0)	1,331.15 (69.3)	203.45 (10.6)	186.72 (9.7)	165.97 (8.6)	2.22 (0.1)	13.60 (0.7)	12.55 (1.2)
1980	1,960.80 (100.0)	1,382.51 (70.5)	203.61 (10.4)	222.91 (11.4)	118.47 (6.0)	1.46 (0.1)	11.58 (0.6)	23.18 (.2)
1981	2,260.41 (100.0)	1,604.51 (71.0)	190.07 (8.4)	210.53 (9.3)	178.52 (7.8)	2.28 (0.1)	19.42 (0.9)	61.64 (2.7)
1982	2,367.33 (100.0)	1,624.30 (68.6)	193.64 (8.2)	268.23 (11.3)	184.45 (7.8)	-.3 (-.1)	22.63 (1.0)	78.99 (.3)
1983	2,425.27 (100.0)	1,613.80 (66.5)	200.53 (8.3)	261.41 (10.8)	240.66 (9.5)	-2.4 (-.1)	17.95 (0.7)	9.35 (3.8)

SDURSE : Japanese Ministry of Foreign Affairs.

NOTE : Figures in parentheses indicate competent percentage.

\* Includes Egypt

The changing trends in global politics due to growing detente between the two Superpowers the U.S.A. and the U.S.S.R. and the revolutionary growth of Japan's economic might have further widened the scope of Japanese activities in Asia.

To conclude, "for historical geographical, economic and political reasons, Japan naturally has favoured Asian countries in its allocation of aid. At one time almost all of Japan's bilateral ODA went to Asia, but the ratio now fluctuates at around 70%".<sup>49</sup> Future prospects of Japan in Asia are brighter and Asia will hopefully remain the region of high priority in Japanese foreign policy.

---

49 Brooks and Robert, Op. cit., p. 328.

## CHAPTER III

### JAPAN LOOKS TOWARDS SOUTH ASIA

\*\*\*\*\*

## CHAPTER III

### JAPAN LOOKS TOWARDS SOUTH ASIA

Though Japan could air slogans like "Asia for the Asians", or "a new order for Asia", during the pre-war period but virtually, for the Japanese leadership and diplomats the meaning of these slogans did not extend beyond East Asia and South-East Asia because of their immediate economic and political interests in these regions. Even in the post-war period when Japan re-emerged as an independent nation in 1952 after seven years of Allied occupation, her attention remained limited to the traditional zones of Japanese interest, namely East and Southeast Asia. Though South Asia was not completely neglected by the Japanese leadership during the prewar period and since 1952, Japanese foreign policy was least concerned with this region. But after becoming the economic superpower of Asia Japanese economic interest and activities which were traditionally limited to East and Southeast Asia, have increasingly shifted towards South Asia. Japan has now become the leading individual donor of development <sup>1</sup> for this region. In recent years, the changing trends of global politics due to growing detent between the two superpowers have had their deep impact on the political and economic perceptions and priorities of Japan. Being a world economic power, Japan

---

1 Saburo Okita, "Japan's Quite Strength", Foreign Policy, No. 75, (Summer 1989), p.

is bound to engulf the entire Asia with her increased activities. Thus, South Asia has now become significantly an important region to the Japanese economic and political interests. In spite of the above mentioned situation that has attracted Japan, there are certain other factors which have enhanced Japanese interest in the region of South Asia.

Since Japan imports large quantities of its oil from the countries of the Middle East, more than 70% of which coming by Sea through the Indian Ocean. The stability and peace of the South Asian region, which includes the Indian ocean of that sea route. Thus, Japan is keener to expand her activities in this region of the globe, by providing economic assistance ~~so that peace and stability~~ may be maintained. As the Japanese Prime Minister Toshiki Kaifu in his recent visit to South Asian countries remarked, "Peace and stability in Asia is a matter of great concern<sup>2</sup> to Japan."

Secondly, seven of the countries in the region of South Asia (India, Bangladesh, Pakistan, Nepal, Sri Lanka, Bhutan, Maldives) are categorised as less developed countries. Of these, Bangladesh, Bhutan, Maldives and Nepal

---

2 Policy Speech by Prime Minister Toshiki Kaifu, Japan and South Asia. In pursuit of Dialogue and Cooperation for peace and prosperity (at the Parliament House, New Delhi, April 30, 1990), p. 9.

are indeed, least less developed countries. Japan is expected to play a major role in economic and technological aid to the countries of this region. As Mr. Kaifu cleared this point by saying "As a country in Asia that has endeavoured to modernise itself, we believe that Japan has a unique role to play for the promotion of development<sup>3</sup> assistance.

Thirdly, the total population of this region numbers approximately one billion people, almost one fifth of all mankind. Hence, promotion of close ties between Japan and the countries of the South Asian region can be expected to contribute significantly to the attainment of the aims of Japan's Asian diplomacy, particularly to long term stabilisation and strengthening of Japan's relations with the Asian countries. As Kaifu stated, "the development of this region which is inhabited by one billion people, or one fifth of all mankind, is in itself one of the major interests of the whole world as we move closer to the twenty first century"<sup>4</sup>. Undoubtedly one billion population of this region is considered to have great potential in the long term.

Fourthly, the South Asian countries are having abundant natural resources. While Japan is a poor resource country, thereby, Japan and the South Asian region are

---

3 Ibid., p. 14.

4 Ibid., p. 9.



interdependent. If combined, the abundant natural and human resources of the South Asia and Japan's very advanced technology may bring economic prosperity to the region and in turn, Japan's economic interest will also flourish.

Fifthly, the South Asian region is one of the cradles of world civilization. Japan desires to expand cultural exchanges in various fields, such as the arts and sport, with the countries of this region, which is one of the sources of Japan's culture. Prime Minister Toshiki Kaifu stated as "South Asia is a treasure trove of cultural and historical monuments, which are also common heritage of mankind. I should also like to pursue ways in which Japan will be able to contribute its share in efforts to preserve this heritage.<sup>5</sup>

No doubt, Japan has increased her activities in the South Asia region in the recent years but she has no intention of intervening in the problems of the region. Japan does, however, have a positive attitude to supporting movements among the countries of the region for the improvement and strengthening of their cooperative relations, such as South Asian Regional Cooperation. As Prime Minister Toshiki

---

5 Ibid., p. 19.

Kaifu said, "I should like to pay respect to the South Asian countries which are bound by ties of history and culture, for having produced certain results in their joint efforts to achieve the purposes of SAARC such as the promotion of the welfare of the peoples, social progress and cultural development, while strictly adhering to the principles of the United Nations Charter, i.e. Sovereign equality, territorial integrity, national independence, non-use of force, all non-interference in the internal affairs of other states".<sup>6</sup>

After seeing the above-mentioned view it may be concluded that expanding economic relations between Japan and the South Asian countries have an important role to play in broadening and deepening Japan's overall relations with the countries of the Asian continent. For this purpose, it is necessary to do everything possible to increase Japan's trade with the South Asian countries which are looking forward to Japanese technological and economic assistance. To understand the Japanese role in South Asia since 1952, it is essential to look at her bilateral relations with major countries of this region.

---

6 Ibid., pp. 13-14.

## 1. Japan and India

Friendship between India and Pakistan can be traced out as early as the Sixth century A.D., when Buddhism reached Japan through Korea peninsula. Buddhism could leave everlasting influence of Indian culture on Japanese people and their culture. This is the source of the close affinity the people of Japan could keep for India. But direct contracts between Japan and India were established only after the Meiji Restoration (1868) by which Japan was opened to external world.

Since India was a British colony, she had to enter into the second World War against Japan, and even meager economic relations between the two countries were totally suspended. When India became an independent nation, in 1947, (Japan was under the allied occupation). She adopted a friendly attitude towards Japan. A glorious example of India's friendly treatment towards Japan came in 1949 when an Indian elephant was given to the Ueno Zoo in Tokyo as a goodwill gift by the then Indian Prime Minister Pt. Jawahar Lal Nehru (who named the elephant Indira after his daughter) because Japanese people felt an emotional tug at the death of the animals in this Zoo due to devastating war. At the same time, being a non-aligned country India demanded Japan's complete freedom, from the America when Japanese peace Treaty

was signed in 1951 and virtually due to this reason she boycotted this treaty. "India did not join the San Fransisco Conference nor did she sign the treaty for the following reasons. The Government of India did not agree with the belief of the U.S., government that their (American) view of the proposed treaty was shared by the people of Japan. India wanted that Japan, after she became a sovereign nation, should independently make whatever arrangements she considered necessary for her self-defence.<sup>7</sup> India concluded a separate Peace Treaty with Japan on 9 June, 1952. The main points of this treaty were

1. to maintain firm and perpetual peace and amity.
2. to open negotiations for setting problems relating to commerce, shipping and aviation; and
3. mutually to waive all claims arising out of war damages.

India's friendly attitude towards Japan helped Japan greatly in her reentry into the international community of nations. Mr. Kawasaki, the then charge de' Affairs in Delhi remarked that "the Japanese people attached very great importance to their relations with the people of India and indicated that the Japanese Embassy in New Delhi would be one of their largest Embassies next only to Washington and

---

7 B.R. Chatterji, Modern Japan (Meerut: Meenakshi Publishers, 1976), p. 96.

8  
London. Pt. Jawahar Lal Nehru the then Prime Minister of India attached priority in 50s for the industrialization. Japan, of course, attracted him because of her industrial ability which was achieved by Japan even in the pre-war period. In October 1956, India's Vice-Président Dr. S. Radha Krishnan paid a visit to Japan, followed by the fruitful visits of Japan's Prime Minister M. Kishi in May 1957 and of India's Prime Minister Pandit Jawahar Lal Nehru in October 1957 which added a new chapter in the history of Indo-Japanese relations. These visits ultimately finalized important agreements between the two countries. "In February 1958, to the signing of a comprehensive agreement, providing for most favoured nation treatment, and a second agreement was signed extending a yen credit worth \$ 50 million to India, repayable in ten-years at prevalent world Bank interest rates. A few weeks later a government sponsored mission reached agreement with the Indian government for Japanese participation in a scheme to develop iron mines in the Rourkela district of Orissa, near India's east coast. Of an estimated \$ 33 million required for the project, Japan would lend India about \$ 8 million in rolling stock, mining machinery, and labour facilities, the Indian government was supposed to ask the reminder from the United States. Once

---

8 Ibid., p. 98.

production was underway, Japan would have an assured supply<sup>9</sup> of at least two million tons of ore annually for ten years".

These two important agreement signed in February 1958, by Japan and India became the infrastructural base for their bilateral relation. They were almost entirely concentrated on the economic relations and exchanges which opened a new door for their interdependent relations. By this goodwill and sincere efforts India and Japan could further make stronger their bilateral trade ties. The external invasions and internal distrubances faced by India, brought an economic disaster which created terrible troubles for Indian trade but anyway she could continue the pace of the growth of trade. On the other hand Japan was perpetually making stronger her economic position taking 6.6 percent share of India's total imports in the year 1968 while exports from India to Japan touched the weight of 11.5 percent during the same period.

TABLE IV

Percentage Of Japan In India's Total Imports and Exports

Year	Imports	Exports
1959-60	5.3	7.2
1960-61	5.2	7.9
1961-62	5.7	6.2

9 Olson, Lawrence, Japan In Post War Asia (New York : Preager Publishers, 1970), pp. 39-40.

1962-63	5.1	4.7
1963-64	5.5	7.1
1964-65	5.6	7.6
1965-66	6.2	6.9
1966-67	5.6	6.5
1967-68	5.1	11.0
1968-69	6.6	11.5
1969-70 *	4.3	12.2
1970-71	4.6	13.9
1971-72	8.4	11.6
1972-73	9.2	11.1
1973-74	10.0	14.1

Source : Compiled and computed from various issues from 1960 to 1975 of direction of trade statistics: IMF Year Book.

\* Note : From the year 1969-70 onwards data are compiled and computed from the Direction of trade. IMF & IBRD Year Book, 1975.

TABLE IV

Japanese Export-Import To India

( 4 Factor Table )

(Value in units of \$ 1,000)

	1970	1971	Per Cent Increase from Previous Year	1972	Per Cent Increase from Previous Year
--	------	------	---	------	--

Japanese Imports From India

Iron Ore	198,922	205,240	3.2	218,818	6.6
Hemp fabrics	3,510	4,054	15.5	7,517	85.4

(Contd. on next page)

Textile products	5,746	6,232	8.5	11,333	81.0
Precious & semi Precious stones	6,002	9,981	66.3	17,102	71.3

Japanese Exports to India

Heavy industrial products	91,815	186,208	102.8	217,8	16.7
Metals & metal product	40,043	99,690	149.0	120,477	20.9
Iron & Steel	32,356	85,090.	163.0	99,952	17.0
Steel plates	5,552	27,612	397.3	36,438	32.0

---

Source : White Paper on International Trade, Japan, JETRO  
Japan External Trade Organization, 1972 and 1973.

Table IV clearly shows that during 1960s the growth of exports and imports were continuous. But in absolute terms the growth of imports was much steeper and India started having adverse trade balance which was in favour in the early plan periods. After 1966, exports expanded at faster rate and the balance of trade was again in favour of India for about a decade. During the oil crisis of 1973, Japan was inclined to diversify and expand the trade quantum with India. At the same time India saw certain political alterations resulted due to the imposition of national emergency. Which has had its deep impact on India's trade



relations. The Japanese traders were feared to take risks in such instable situations of India and therefore, the growing pace of bilateral trade between the two countries were checked.

Though relations between the two countries India and Japan were normalized by Peace Treaty in 1952 and bilateral trade was started but the pace of progress in their relations was remained very slow in comparison of India's relations to other countries. Probably, it was due to the emergence of Japan as an ally of America in the post-war years was a matter of great concern to a non-aligned country like India. India was bound to assume that Japan's role in the international relations can't be as independent and autonomous one because of the American political hegemony over her. ~~There~~ fore, Indian leadership realized that her political manoeuvres directed towards Japan are likely to be failed to produce reasonable results.

Thus India's relations with Japan could not have any political moorings because of their separate and divergent paths in international politics. Since the Indo-Japanese Peace Treaty signed in Tokyo in June 1952 till now relations between the two are mainly of economic or commercial nature and even progress in this was very slow in comparison to

Japan's economic relations with other countries. Japanese investment in India till 1982 amounted to \$ 57.7 million as against \$ 721 million for the Philippines, \$ 479 million for Thailand, \$ 1.3 billion for Singapore \$ 72 billion for Indonesia and \$ 764 million for Malasia. The Indian Government approved 614 cases of financial and technical collaboration with Japanese corporations between 1959 and 1982<sup>10</sup>".

In the beginning of 1980 Japanese leadership gave a serious thought and showed a sincere desire to improve her relations with India, due to the radical changes in the global trends of world politics. India, which remained cool for its own reasons and did not seek Japanese aid in large measure, also showed a sincere and positive response towards Japan which culminated in the visit of the then Indian Prime Minister Mrs. Indira Gandhi to Tokyo on her way back from the U.S.A. and an official visit to the Japanese Foreign Minister Yoshio Sakurauchi to India both in August 1982 which further added a lot to the progress of Indo-Japanese relations. Japan's Foreign Minister signed a fresh agreement for further Japanese aid of Rs. 127 crores to fund four

---

<sup>10</sup> Japan-India Relations, Ministry of Foreign Affairs of Japan, April 1984, p. 3.

projects, including the 1,000 MW Aupara 'B' thermal power station in Uttar Pradesh and also agreed to give Rs.1728,000 as a cultural grant . In the decade of 1980s between the global economic power (Japan) and the so called the supreme power of South Asia (India) improved dramatically. But these relations improved between the two countries because of the following reasons.

1. Japan's ambition to re-emerge as an international actor, Nakasone's repeated calls for the internationalization of Japan is an indication of this ambition. Takeshita who had also repeatedly emphasised that Japan must also revive and widen its trading ties with other nations rather than remain attached with Western nations and the U.S.A. This declaration on 5 May, 1988 during a tour of Europe that Japan wished to adopt a high international profile in order to maintain peace in the world and to secure the prosperity of the international community, is an extension of the same dream.
  2. Japan's continuing friction with the U.S.A. and the European community on matters of trade, tariffs and investments poses a serious threat to Japan's economic growth. Under this strange situation Japan is bound
-

to find out new markets for its goods and investments. For this obvious purpose, the size and potential of India's market will certainly be an attractive area to Japan.

3. After acquiring a certain level of progress in agriculture, industry and technology, India is in a position to take utmost benefits from Japanese economic and technological assistance.

In the light of above-mentioned factors, it may be seen that both the countries have realized the imperative of their economic interdependence. Fortunately, both have realized this urgency and made full efforts to provide added strength to their relations, particularly in the economic sphere. "In 1983 Japan imported \$ 1.130 million worth of goods and exported \$ 1,431 million in trade with India, Major imports were iron ore (35.8% of all imports by value), shrimp (22.6%), diamonds (11.7%) and textile products (3.9%). Major exports were general machinery (24.5% of all exports by value), iron and steel (23.1%), electric machinery (14.1%), transportation machinery (12.7%), and chemical products (6.9%). Japan was the fourth largest exporter to India (after the Soviet Union, Saudi Arabia, and the U.S.), accounting for 7.5% of India's imports by value, and the third largest market for Indian exports (after the

DS1812

11

Soviet Union and the United State) accounting for 8.9%.

A new chapter was opened in bilateral relations with the historic visit to India by the Japanese Premier Nakasone, who is known as the architect of Japan's more liberal policy of economic cooperation with India, in May 1984. It was diplomatic move on the part of Japan towards India. For the first time the Japanese government came forward to appreciate India's policy of non-alignment, earlier decried as a policy befitting a weak nation. Nakasone openly appreciated the role of non-alignment and desire to take a new step for widening the scope of cooperation and coordination with the non-aligned nations, which constitute a two-third majority in the U.N.O. India and Japan eventually realized the imperative of their economic collaboration for mutual benefit. "On 11 May 1984, an agreement was signed by the two governments for the 23rd yen credit to India amounting to Rs. 169.22 crores. The first project to be benefited from the credit is the Bijapur Fertilizer Plant (Rs. 72.7 crores) and 26.4 crores was to be spent on the expansion of telecommunication facilities. At the Aid India Consortium meeting in Paris in June 1984 Japan agreed to extend a 37.36 billion yen concessional credit to India in 1984-85,

---

11 Japan-India Relations, Op.cit., p. 2.

which was to be used for the implementation of four projects which included the Aonla Fertilizer Plant, telecommunication network expansion project, gas pipeline project on the Mazira Bijapur sector and Eastern Gandak Canal Hydro-electrical project. The concessional credit bore an interest rate of 3.25 percent per annum and repayment to be made in 30 years including a grace period of 10 years .

India on its own part has shown immense sincerity and goodwill towards Japan as evidenced by the Official visit of the then Indian Prime Minister Rajiv Gandhi to Tokyo in April 1988 which opened a new chapter of the two country's relations towards the 21st century. Mr. Gandhi inaugurated a cultural festival of India in Tokyo which was organised to warm up India-Japanese friendship. This type of Indian festival was held for the first time in Any Asian country. Mr. Gandhi showed keen interest in continued friendship with Japan and deep impression on the Indian mind. He praised Japan and its resurgence as an economic giant which has thrilled the entire East. Appreciating Indian friendship, the then Prime Minister of Japan Takeshita said that Indo-Japanese relations have improved a lot in recent years and cooperation has been established at all levels. Despite Japanese objection to the Indian position on the

---

Nuclear Non-Proliferation Treaty, the Japanese government agreed to speed up the pace of Japanese economic assistance and investment in India.

TABLE V

Authorized Development Assistance from Japan to India  
1980-81 to 1988-89

Source and Type of assistance	1980-81	81-82	82-83	83-84
a) Loans	46.6	294.5	83.3	-
b) Grants	15.0	15.9	15.8	8.6
Total	61.6	310.4	99.1	8.6
	(a) 84-85	(a) 85-86	(a) 86-87	87-88
a) Loans	451.2	223.6	635.4	895.3
b) Grants	16.1	16.1	32.3	24.8
Total	467.3	239.7	667.7	920.1
88-89 (April - September)				
Loan	-			
Grant	26.3			
Total	26.3			

(a) Government Account only

Utilization of Authorized Assistance from Japan

1980-81 to 1988-89 (Rs. Crores)

Source and type of Assistance	1980-81	81-82	82-83	83-84	84-85	85-86
a) Loans	62.0	25.8	111.9	129.3	52.4	157.8
b) Grants	28.2	9.9	16.3	10.1	15.8	17.3
Total	90.2	35.7	128.2	139.4	68.2	175.1
	86-87	87-88	88-89	(Estimated)		
a) Loan	384.9	607.7	556.1			
b) Grants	224.4	20.5	21.4			
Total	409.3	628.2	587.5			

Source : Government of India, Economic Survey, 1988-89.

No doubt, Japan has welcomed the liberalization of economic policies initiated by Rajiv Gandhi and looks forward to even a better investment climate in India. The Japanese government has set up an "India Panel" in Tokyo which will assist in India's economic and social development. The Government of India has also set up a fast channel in New Delhi to clear Japanese proposals for investments and joint enterprises. Thus consistent and steady growth of goodwill in the bilateral relations has pointed to the prospects of their future interaction at all levels. Japan has emerged as India's third biggest trading partner after



the U.S. and the U.S.S.R. In 1960 Indo-Japanese trade accounted for nearly 6% of India's total trade. By 1986, the Japanese share has risen to 14%. During 1988 Japanese financial investments in India and the total volume of the Indo-Japanese trade turnover have shown strong upward trend and therefore there are indications that they may assume even higher proportions in the coming years. The Indo-Japanese trade has risen from \$ 3486 million in 1987 to \$ 3886 million in 1988, registering an increase of 11.4% compared to a rise of 2.7 in 1987 over the year. India's export rose by 17.9% in 1988 from \$ 1530 million in 1976 to \$ 1804 million in 1988. Imports from Japan increase marginally during this period from \$ 1957 million in 1987 \$ 2082 million in 1988. The government of Japan had granted an annual overseas development Aid (ODA) yen 70.8 billion (about Rs. 700 crores) in 1988 to India which is more than double the amount of 34.7 billion yen granted in 1983.

TABLE \_ VI

DIRECTIONS OF INDIA'S TRADE WITH JAPAN  
(Rs. Crores)

1970-71	1980-81	1982-83	1983-84
Exports-Imports	Exports-Imports	Exports-Imports	Exports-Imports
203.5-83.4	597.8-748.8	833-9-1087.9	825.7-1446.9
1984-85	1985-86	1986-87	1987-88
Exports-Imports	Exports-Imports	Exports-Imports	Exports-Imports
1029.4-1240.0	1164.4-1774.0	1333.9-2558.9	1614.9-2119.6

Source : Government of India, Economic Survey, 1988-89.

The recent visit of Japanese Prime Minister Toshiki Kaifu in April 1990, has added a lot to the progress of Indo-Japanese relations. By supporting India's stand on Kashmir to settle the vexed problem in the spirit of the Simla Agreement, Japan has shown her sincere desire for the friendship, towards India. Kaifu said, "I should like to deepen further the exchange of views with the leaders of South Asia, especially India, on global issues without limiting ourselves<sup>1 2</sup> to agenda items on bilateral or Asian issues". Kaifu's announcement of a 100 billion yen concessional loan to India during the current financial year has further boosted the bilateral relationship between the two countries. Cultural cooperation and academic exchanges are the other important proposal which will certainly make bilateral ties stronger. Kaifu declared that he intended to initiate the "Japan-South Asia Youth Friendship Programme", on which five hundred young people of South Asia, who will shoulder the task of nation-building in the future, will be invited to Japan over the next five years. The programme is intended to promote mutual understanding further so that youth will<sup>1 3</sup> deepen their understanding of Japan's economy and society.

---

<sup>1 2</sup> Kaifu speech, op.cit., p. 11.

<sup>1 3</sup> Ibid., p. 20.

Of course, both Japan and India are inclined towards each other because of prevailing trends in international economic relations. Therefore, the future appears to hold a bright prospect for an exponential growth of Indo-Japan relations particularly in the economic field and eventually for some sort of political understanding on major political issues facing the Asia-Pacific region.

## 2. Japan And Bangladesh

The relations between Japan and Bangladesh have been growing steadfastly in a mutually fruitful way in every sphere ever since the emergence of Bangladesh as an independent country in 1971. Immediately after its independence Japan recognised Bangladesh on February 10, 1972. Japan was one of the first nations to recognize Bangladesh at this early stage, since then, many Japanese, both in public and private sectors, have been involved in the nation building efforts of Bangladesh. This positive attitude of Japan towards Bangladesh has created a very good impression on Bangladesh's people minds right from their independence. Zillur R. Khan conducted a attitudinal survey of the people of Bangladesh, towards Japan in 1971, 1972 and 1973. According to him, "when asked about the reason for Japanese aid and economic policy, half the respondents felt that the reasons for Japanese aid were Japanese commercial interests and their desire to land a

hand in the economic development of Bangladesh. Moreover, it was generally conceded that Japanese economic policy was very fair. The responses indicated that about 70 per-cent of the respondents thought that the Japanese involvements in Bangladesh served the purpose of economic development of their country."<sup>14</sup>

Japan and Bangladesh have many common traits as Japan and Bangladesh have similar population figures although Bangladesh's population is increasing faster while Japan's population growth rate is only 0.38%. Japan's staple food is rice, as in Bangladesh and it ranks third after Bangladesh and the Netherlands, in the density of population. Japan is equally vulnerable to world economic fluctuations as witnessed in the seventies when Japan's economy was hit by high oil prices and the unstable prices of gold and primary commodities. Japan's constraints are due to its limited size of land, high density of population, narrow resources base, consequent dependence on export materials and these constraints are also the serious constraints of Bangladesh economy. Added to these common problem both Japan and Bangladesh have geographically similar situation surrounded by powerful neighbours and placed at the edge of the huge continent. Like Bangladesh, Japan

---

14 Zillur R. Khan, "Japanese Relations with India, Pakistan, and Bangladesh", Pacific Affairs, Vol. 48, No. 4, (Winter 1975-76), pp. 550-551.

also frequently suffers from natural calamities such as earth-quake, typhoon etc. and naturally Japan has deep sympathy with Bangladesh which is also often threatened with natural disasters such as floods and cyclones.

The most important field of cooperation between Japan and Bangladesh had been economic one. At present, Japan has become the major donor country in many parts of Asia, and Bangladesh is no exception. Japan's ODA commitment in 1988 reached two hundred and twenty million US dollars through the Overseas Economic Cooperation Fund (OECF) and the grant commitment reached one hundred million US dollars, through the Japan international Cooperation Agency (JICA) following the figures of IDA and ADB. As Takeo Iguchi stated, "In 1973, to further enhance and diversify the cooperative fields, the Government of Japan Overseas Cooperation Volunteers to Bangladesh. Now JICA's Overseas Cooperation Volunteers most welcome in both your rural and urban areas for importing their skills to various strata of your society and have 70 volunteers at present in your country and several of them are stationed Chittagong area".<sup>15</sup>

---

15 "Japan-Bangladesh Relations Issues and Prospects". Address of H.E. Mr. Takeo Iguchi, Ambassador of Japan to Chittagong Chamber of Commerce and Industry on July 26, 1989.

Japan's contribution to Bangladesh economy varies from grassroot level activities of Overseas Cooperation Volunteers in technical training centres and small cottage industries, to huge industrial projects. Japanese aid covers almost all socio-economic fields, such as agriculture industry, food, water supply, power supply bridge, health and family planning, cultural affairs etc. Mr. Takeo Iguchi observed, "Japanese government contribution to Bangladesh economy varies from grass-root activities of Japan's overseas Cooperation Volunteers in technical training centres and small cottage industries to huge projects such as Chittagong Urea Fertilizer Project, Kaptai Hydroelectric Dam, and Meghna Bridge, Meghna Bridge will likely to be completed next year and then Japan will help construct Meghna Gumti Bridge. By the end of nineties, Chittagong will be linked by road to Dhaka. If Jamuna Bridge could be built by Japan's aid with ADB and IDA by then, Chittagong will be linked by car to Rangpur. Our aid may cover socio-economic fields such as agriculture, industry, food, water supply, electric supply and transmission, telecommunications, health and cultural grant. Among these sectors, our priority has been in the field of agriculture such as irrigation, transport infrastructure, such as bridge, and basic human needs, such as water supply, drainage and sewerage. For technical assistance, Japan is increasingly involved in medical transfer

16 of technology". The Meghna Bridge, on the Dhaka Chittagong highway does not only shorten the distance between Dhaka and Chittagong, but has a very high economic and commercial importance. Japan has made the commitment, the help the construction of the Meghna Gumti Bridge from 1991, and it is hoped that by 1995 Chittagong will be linked by road to Dhaka.

Japan has provided soft loan of 418.5 billion yen since 1971 to 1989. Japan has given assistance worth over 550 billion yen equivalent to about 13,000 crore takes to Bangladesh, since the independence of the country upto 1988. The amount of Japan's ODA to Bangladesh has increased year by year and become the top among the DAC member countries in 1986. During the fiscal year of 1988, our annual yen credit commitment reached close to \$ 400 million and our grant commitment reached about \$ 100 million. Therefore, the commitment of Japan's ODA to Bangladesh has reached the level of some five hundred million dollars, which consolidated our position as the top donor among all countries.<sup>17.</sup>

---

16 Ibid., p. 5.

17 Ibid., p. 4.

In the industrial sector, fertilizer is a very important input for the development of agriculture which is the mainstay of the Bangladesh economy. Having this in mind Japan extended ODA loans for construction of fertilizer factories, such as, Fenchuganj Fertilizer Factory, Ghorosal Urea Fertilizer Factory which have already gone into production and meeting 59% of the total requirement of fertilizer in Bangladesh.

Thus, Japan has been maintaining very strong and faithful ties with Bangladesh by offering economic aids in various fields of social life. The reasons for growth of bilateral ties are listed as follows:

1. Bangladesh, both before and after its liberation, has always shown a positive attitude and sincere desire towards Japan and no doubt Japanese could also realize to this sympathetic look of Bangladesh's people.

2. Bangladesh, which was liberated in 1971, was very poor in almost all aspects of social life. Thus Bangladesh urgently needed economic and technological assistance for the social development. Since by that time Japan had already emerged as one of the economic gaint of the world, Bangladesh kept on making overtures to improve Japan Bengladesh relations which remained through out the post period very cordial one.



3. India played an important and a key role in Bangladesh's independence. Thus for few years Japanese policy makers thought about Indian influence in this country and Japanese preferred to be remained cool. When Bangladesh relations became clear, then Japanese began to show their interest in Bangladesh's development.

4. America also showed a corresponding decline of her economic and political involvement in the under developed countries. Thus Japan tried to fill this gap in the international politics particularly in Asia.

Seeing the multidimensional betterment, Bangladesh, has been making all efforts to maintain very good relations with Japan. Khan writes that "Japanese involvement in Bangladesh is remembered with certain fondness and gratitude by many East Bengalis, though, Japan, in relation to its economic status, was always a poor aid giver and in the Bangali post liberation period has provided only an \$ 16 million commitment for relief and rehabilitation in contrast to the immense sums given by other countries, nevertheless many Bangalis cherish the Japanese efforts to establish various Japanese Bangladesh industrial and training projects as well as their sense of fairness in appropriating grants and training opportunities to the much neglected people of Bangladesh in the Pakistan era".<sup>18</sup>

---

<sup>18</sup> Khan, Op.cit., p. 550.

Undoubtedly, Bangladesh Japan bilateral relations have shown impressive growth and is marked by immense goodwill mutual respect and fruitful cooperation. As a partner in progress, Japan has already established itself as a very reliable friend of Bangladesh. The Government of Japan decided to extend to the Bangladesh a grant-in-aid of 4,479,787,000 yen in accordance with the resolution adopted in March 1978 at the 9th Ministerial Conference of the Trade and Development Board (TDB) of the United Nations Conference on Trade and Development (UNCTAD). Notes to this effect were exchanged on October 30 (Mon), in Dhaka between Takeo Iguchi, Japanese Ambassador to Bangladesh, and Ayub Quadri, Joint Secretary, External Resources Division, Ministry of Planning of Bangladesh.<sup>19</sup> In the same friendly manner Japanese government after a meager duration around one and half month decided to extend a grant-in-aid of up to 400 million yen to the Government of the People's Republic of Bangladesh for increased food production.<sup>20</sup> The signs of Japanese unending goodwill for Bangladesh are exhibited by her sincere desire and efforts for the development of Bangladesh. As in March 1990, the Japanese government decided to extend a grain-in-aid of upto 66 million yen to the Government of the People's

---

19 Press Release No. 0531-10 (October 30, 1989), Foreign Press Center, Japan.

20 Ibid., No. 0647-10 (Dec. 20, 1989).

Republic of Bangladesh for its project for the improvement<sup>21</sup>  
of the Storm water Drainage System in Dhaka City.

Though bilateral relations between Bangladesh and Japan received a boost by the two visits of the President of Bangladesh Hussain Muhammad Ershad to Japan in June 1985 and in February 1989, respectively, but a new chapter was opened by the historic visit of Prime Minister Kaifu to Bangladesh, the first ever Prime Minister of Japan to come to Dhaka, in the first week of May 1990, during his five-nation tour in South and South East Asia. Kaifu received a rousing reception in Dhaka that was sharply contrasted with the surrounding poverty of a nation where a major part of the people are still deprived by the basic amenities.

The Japanese Prime Minister pledged ¥ 31.2 billion in loan aid to Bangladesh and also unveiled a ¥ 47.8 million grant to help preserve an eight century Buddhist site at<sup>22</sup> Paharpur. President Mohammad Ershad in his meeting with Kaifu, requested for raising Japanese aid level to reflected a projected 8% increase in Tokyo's 1990 budget for official development assistance. Kaifu offered ¥ 27.4 billion in yen-based loan aid to Bangladesh to cover 1989 and an

---

21 Ibid., No. 0098-10 (March 9, 1990).

22 The Japan Times, May 2, 1990.

additional ¥ 3.8 billion towards an energy project, with the latest disbursement, Japan will have committed ¥ 47 billion in total aid in 1989 to Bangladesh down from ¥ 62<sup>23</sup> billion in the previous year.

Since the independence of Bangladesh, the Japanese investment, entrepreneurship and technology are playing an increasingly significant role in the process of economic transformation of Bangladesh. Due to this prominent role Japan has got a unique place in the hearts of the people of Bangladesh who recognized Japan as a true and trusted friend.

We may conclude that the Japanese government and its people are eager to extend their full cooperation to developing and improving the socio-economic conditions of Bangladesh as well as to further strengthening the friendly relations existing between Japan and Bangladesh. Japan wished to see a prosperous Bangladesh, because it is almost a national consensus that development aid to the less developed is a historical task for Japan's 120 million people. Japan likes to work together with Bangladesh to see a brighter future of South Asia and the entire world.

---

23. Ibid.

### 3. Japan and Pakistan

Pakistan which was an integral part of India became an independent and sovereign state on 14th August 1947 when British rule came to an end. By this time Japan already come under the occupation of the Allied Powers in the wake of her defeat in World War II. Pakistan which had recently become free from Colonial rule strongly adhered to the principles of national freedom and non-interference. Thus Pakistan from the very beginning demanded Japan's complete freedom from the external powers. At the Colombo Conference of Commonwealth Foreign Ministers held in February 1950, Pakistan strongly urged that the occupation of Japan by the Allied Powers, virtually the United States, must be terminated soon.

Pakistan's relations with Japan in the postwar period started through the Colombo Plan under which a group training program of Pakistani engineers and technicians was undertaken. Basically Japan's relations with Pakistan were confined to the economic field. During 1960s when Japan was fast heading to a point of revolutionary growth, she played an important role in the economic development of Pakistan. As a member of the Aid Consortium to Pakistan, Japan played a significant role in the economic development of the country between 1966 and 1970. During that period, Tokyo helped to set up the

first steel plant in Pakistan at the cost of \$ 80 million; by 1969, it has reached a production capacity of 250,000  
24 tons. Pakistan was also dependent on the external assistance in the field of technology. Japan, which wanted to get a market, found Pakistan an appropriate place for its investment. Thus Pakistan could receive economic and technological assistance from Japan. Japan played an important role for the construction of the two very large fertilizer plants in East Pakistan which made the entire nation self-sufficient in fertilizers. This trend became even more pronounced in agriculture where the Japanese had made by far their greatest contribution under the Colombo Plan. Between 1960 and 1970 Japanese experts were constantly associated with PARD (Pakistan Academy of Rural Development) in teaching and helping model  
25 farmers to attain their goals of higher rice-yields.

By the 1970s Japan had become an economic giant and began to expand its economic relations particularly with the Asian countries. At this time the oil crisis created new difficulties to Japan. Hence, maintenance of peace in this region was certainly in the interest of Japan. Pakistan which has multi-dimensional relationships with the Middle-Eastern countries attracted Japan. In addition, by this time

---

24 Zillur R. Khan, Op.cit., p. 546.

25 Ibid., 546.

India's Friendship Treaty with the Soviet Union concluded in 1971, had led to the USA according special importance to Pakistan. Japan which was a traditional enemy of the U.S.S.R., and an important ally of the U.S.A. began to show keener interest in economic and technological collaboration with Pakistan. "If we include the Japanese yen credit loan to erstwhile East Pakistan, the total yen credit to Pakistan amounts to \$ 324.5 million. In December 1972, Tokyo and Islamabad signed an agreement under which Japan would provide Pakistan with a new yen credit amounting to \$ 27.5 million to be utilized for goods and services from Japan for the Tarbela Dam Project and Malaria Eradication Program".

26

TABLE VIII

JAPANESE TRADE WITH PAKISTAN

(Value in units of US \$ 1,000 )

	1970	1971	Per cent Increase from Pre- vious Year	1972	Per cent Increase from Pre- vious Year
Japanese Imports From Pakistan					
Raw cotton	10,282	22,662	120.4	59,125	160.9
Ginned Cotton		21,042		57,470	173.1
Textile Products	6,888	10,564	53.4	28,427	169.1
Cotton Yarn	5,845	10,308	76.4	26,927	161.2

(Contd.)

Japanese Exports to Pakistan

Heavy Industrial Products	95,424	78,589	-18.4	52,882	-33.3
Metals & metal Products	25,517	24,146	-06.6	15,721	-35.1
Iron & steel	18,457	20,222	+09.6	11,775	-42.2
Machinery & Instruments	55,884	45,180	-20.8	26,733	-41.2

---

Source : White Paper on International Trade of Japan (Japan External Trade Organization), 1972 and 1973.

In four important sectors (raw cotton, ginned cotton, textiles and cotton yarn), Pakistan displayed in 1971 an average increase of 1834 per cent over 1970 exports to Japan. In 1972 Pakistan exports in these sectors registered a further average increase of 266 per cent over the previous year., no doubt, during the civil war in Pakistan, Japanese economic involvement underwent a significant reduction.

The relations between the two countries kept on increasing and strengthening specially in the economic field. But further impetus was given to further growth of bilateral relations when the President of Pakistan, General Zia-ul-Haq, visited Japan in July 1983 and was very much impressed by the friendly response from Japan. A new chapter was opened in the history of bilateral relations when the then Japanese Prime Minister Nakasone and Foreign Minister Abe made official



visits to Pakistan in 1984 and exchanged views with the Pakistani President General Zia-ul Haq on international and regional issues. Pakistan received a Japanese grant aid of 29.70 hundred million yen to the project for construction of Machinery Training Centre.<sup>27</sup> The Japanese and Pakistan relations, infact have been improving without any hurdle. The Japanese total grant aid to Pakistan in 1984 was 94.04 hundred million yen while in 1988 its total reached 108.73 hundred million yen.<sup>28</sup> The Japanese total loan aid to Pakistan in 1985 was 322.77 hundred million yen while the save was increased in 1988 as 1,004.23 hundred million yen.<sup>29</sup> Thus relationship between Japan and Pakistan are getting a boost constantly. The Government of Japan decided to extend to the government of the Islamic Republic of Pakistan and ODA loan of upto 19,300 million yen to assist the countries Financial sector Adjustment Program in September 1989.<sup>30</sup>

The Government of Japan decided to extend to the Government of the Islamic Republic of Pakistan a grant-in-aid of 180,266,000 yen in accordance with the resolution

---

<sup>27</sup> Japan's ODA Annual Report 1989, Ministry of Foreign Affairs, p. 166.

<sup>28</sup> Ibid., p. 166.

<sup>29</sup> Ibid., p. 167.

<sup>30</sup> Press Release No. 0467-13, Op.cit.

adopted in March 1978 at the 9th Ministerial Conference of the Trade and Development Board (TDB) of the United Nations Conference on Trade and Development (UNCTAD). Notes to this effect were exchanged on October 17 in Islamabad between Shunji Kobayashi, Japanese Ambassador to Pakistan, and Khalid Mahmood Chima, Secretary to the Ministry of Finance and Economic Affairs of Pakistan.<sup>31</sup> The Japanese interest to improve her relations with Pakistan was clearly shown when the government of Japan further extended a grant-in-aid of up to 1,800 million yen to the Government of the Islamic Republic of Pakistan for increased food production. With this aid, the government of Pakistan intends to procure agricultural machinery and fertilizer to expand arable land and to improve land productivity for the increased production of grains such as wheat, rice and maize.<sup>32</sup>

The Japanese leadership is making sincere efforts in improving ties with Pakistan. It was quite clear when the Prime Minister of Japan Toshi-ki Kaifu visited to Pakistan in the first week of May this year and showed his concern for Kashmir issue which became very volatile during the time. During a visit to New Delhi in the last week of April, Kaifu urged India to exercise restraint over the Kashmir issue,

---

31 Press Release No. 0506-10.

32 Ibid., No. 0096-10.

which revived tension between the neighbouring countries in the past several months. Pakistan's then Prime Minister Benazir Bhutto agreed to seek a speicial settlement to Pakistan's dispute with India over Kashmir in response to the Japanese Prime Minister's peace overtures. In the end of his visit Mr. Kaifu said he and his colleagues were fully satisfied with their talks with Ms. Bhutto. He announced a 21 billion yen aid to Pakistan for the expansion of the latters tele-communication network.

Seeing above, we may conclude that the future of Japanese Pakistan relationship is bright. The changing scenario of global politics has further deepened Japanese economic interest and activities in the south Asian region and Pakistan undoubtedly is one of the important countries which can serve Japanese interests effectively. At the same time Pakistan also needs economic and technological assistance from Japan for its overall development. This mutual dependence of Japan and Pakistan on each other has already consolidated their bilateral relationship and the future certainly will have bright prospects for further cooperation.

#### 4. Japan and Srilanka

Sri Lanka having a circular location of the coast of South East India, became an independent state on 3 February 1948 after centuries of foreign domination. Thus bitter experience of foreign domination virtually was responsible for Sri Lanka keeping away from bloc-politics and adopting a non-aligned approach to the external world. When Sri Lanka became independent Japan had already come under the occupation of Allied Powers, virtually the USA. Sri Lanka, being a non-aligned country, strongly condemned the Allied occupation and demanded Japan's complete freedom from external domination.

Thus, right from the very beginning Sri Lanka supported the cause of Japanese independence and played a very constructive role in the negotiations that led to the Colombo Plan. It was a prelude to an even more mamorable achievement at San Francisco in September 1951 in the final formal sessions that culminated in the signing of a Peace Treaty with Japan. J.R. Jayewardene, the then Finance Minister of Sri Lanka, played a significant and leading role in the negotiations for the San Francisco Treaty for which the USA and Japan both were thankful to Sri Lanka but particularly the latter's gratitude lasted longer than the

former's. When J.R. Jayewardene became the Prime Minister of Sri Lanka and President of his country twenty-five years later those memories had remained fresh. The Japanese reciprocated then in a practical form gifts of hospitals, and television systems — as a tribute to an act of generosity at a time when Japan needed moral support most J.R. Jayewardene in his concluding speech at San Francisco had stated "This Treaty is as magnanimous as it is just to a defeated foe. We extend to Japan a hand of friendship, and trust that with the closing of this chapter in the history of man, the last page of which we write today, and with the beginning of the new one, the first page of which we dictate tomorrow, your people and ours may march together to enjoy<sup>33</sup> the full dignity of human life in peace and prosperity."

The Japanese Prime Minister Shigeru Yoshida appreciated whole-heartedly the role of J.R. Jayawardene as one "who had been watching the proceedings, impassive and inscrutable, burst into tears, an emotional outburst which was in its own way, the finest tribute to a magnificent<sup>34</sup> speech".

---

33 K.M. Da Silva and Howard Wriggins, J.R. Jayewardene of Sri Lanka ( sic ) , p. 241.

34 Ibid., p. 242.

In spite of this memorable role of Sri Lanka in the signing of San Francisco Peace Treaty, she is closer to Japan than any other south Asian because of being a Buddhist country for which Japanese have spontaneous admiration. That is why relations between the two countries remain cordial and fruitful.

Japan - Sri Lanka relations are widening year after year. Sri Lanka needs Japanese economic and technological aid for her national development. Japan is also keen in maintaining peace in the Asian continent. Thus by offering economic aid to Sri Lanka she is contributing to political stability in the South Asian region. Jayewardene's visit to Tokyo in 1979 gave a new thrust to bilateral relations. Ranasinghe Premadasa, the then Prime Minister of Sri Lanka, visited Japan in 1985 and exchanged views with the then Japanese Prime Minister Nakasone which contributed a lot in the further growth of their relations. Japan provided 26.00 hundred million yen grant aid to Sri Lanka for increased food production in 1984.

In the same year Japan gave 14.90 and 14.30 hundred million yen grant aid to Sri Lanka for the Rehabilitation of water treatment plants in Colombo and project for the expansion of Television Broadcasting separately. The total

---

35. Japan's ODA Annual Report, 1989, Op.cit., p. 168.

Japanese grant-aid to Sri Lanka in 1984 was 87.90 hundred million yen but in 1987 it reached 75.27 hundred million <sup>36</sup> yen. The total Japanese loan aid to Sri Lanka in 1984 was 153.70 hundred million yen while in 1987 it became 448.81 <sup>37</sup> hundred million yen. Thus Japan has been constantly increasing her economic assistance to Sri Lanka.

This way Japan's economic relations with Sri Lanka are improving and becoming stronger day to day. In August the government of Japan decided to extend a grant-in-aid totalling up to 1,963 million yen under three-year contract authorization starting in F.Y. 1989 to the Government of the Democratic Socialist Republic of Sri Lanka for its project <sup>38</sup> for the reconstruction of the Victoria Bridge.

At the Aid Sri Lanka Consortium meeting held under the auspices of the World Bank in Paris on October 17, the Government of Japan pledged that it was ready to take necessary steps to extend to the government of the Democratic Social Republic of Sri Lanka an ODA loan of up to 30,128 <sup>39</sup> million yen to assist the country's economic development.

---

<sup>36</sup> Ibid., pp. 168-169.

<sup>37</sup> Ibid.

<sup>38</sup> Press Release, op. cit., no. 0429-10.

<sup>39</sup> Ibid., no. 0507-13.

In March 1990 the government of Japan decided to extend a grant-in-aid of upto 2,300 million yen to the government of Democratic Socialist Republic of Sri Lanka for increased<sup>40</sup> food production.

But a golden chapter was added in the history of Japanese and Sri Lanka relations when the Japanese Prime Minister Toshiki Kaifu visited Sri Lanka in the first week of May on his tour of four South Asian nation. Kaifu who was the first Japanese head of the government to visit the Island in 33 years, expressed his concern over human rights situation in this country, Tokyo also expressed its willingness to help finance Sri Lanka's industrialization programme.

To conclude, Japan and Sri Lanka have very bright prospects of further strengthening of their ties. Economic collaboration between Sri Lanka and Japan is likely to expand keeping in view the Japanese approach towards South Asia in general.

As far as the rest of the small countries of the South Asian region are concerned like Nepal, Bhutan and Maldives, Japan has no intension of interfering in these countries internal affairs and has strong desire to see

---

40 Ibid., no. 0113-10.



stability and peace in these nations through regional cooperation. That is why Japan welcomed the establishment of the South Asian Association for Regional Cooperation (SAARC) and hopes that it will help in the speedy development of this region. Japan is ready to do everything possible to deepen the dialogue with the countries of this region through the diplomatic channels, regular bilateral talks, consultations in the United Nations and exchanges of visits by high ranking officials and other means. As a peace-loving and democratic country Japan had welcomed the development of democracy in Nepal. Japan has been increasing her economic and technological assistance to these small countries of the South Asian region. The total of Japanese grant-aid to Bhutan, Maldives and Nepal in 1984 was 4.00, 4.85 and 58.85 hundred million yen, respectively, but rose in 1987 to 8.25, 15.94 and 187.70 hundred million<sup>41</sup> yen, respectively.

Traditional friendship between Japan and the South Asian Nations was further consolidated by the visit of the Japanese Prime Minister Toshiki Kaifu to four South Asian countries in the last week of April 1990. By the end of Kaifu's trip it became clear that Asia will continue to

---

41 Ibid., pp. 160-63-64.

loom large in Japan's disbursement of overseas development assistance. Yet Japan's economic relations with the South Asian nations remain modest as compared with the southeast Asian countries. As compared with Japan's rapidly increasing direct investments abroad, Japanese investment in South Asia has been sluggish and the countries in this region still look forward to enhanced investment from Japan. However, the trend of growth in Japanese assistance to South Asian countries is likely to be accentuated gradually.

## CHAPTER IV

## C O N C L U S I O N

\*\*\*\*\*

## CHAPTER IV

### CONCLUSION

The foregoing discussion leads us to the conclusion that Japan's interest in post-war Asia is primarily economic rather than political. The economic and technological backwardness of Asian nations provided an opportunity to Japan to expand her economic activities in the area. The far-sighted and shrewd leadership of Japan has been exploiting this opportunity consistently since 1952, and has eventually emerged as the most influential power in Asia. During the later years of 1960s Japan realized that Asian development either directly or indirectly affects her own welfare. Thus, Japan began to follow such policies which could lead both to Asian peace and stability and increased Japanese economic and political role in Asia. For historical, geographical economic and political reasons, Japan gives priority to Asia in comparison with the rest of the world. At the same time, it is also a fact that within the Asian continent Japan has favoured most a particular region, namely Southeast Asia, in comparison with other regions of the Asian continent. South Asia was accorded a meagre importance by the Japanese leadership in the postwar period. In a Symposium held in New Delhi in 1981, Vishal Singh remarked: "I do not know how close we are in the economic field. My friend next to me has told me just now that we are coming close. Well that is good. But I have a feeling that there is hardly any communication. The

misunderstanding, I think was very clearly indicated by what Mr. Subramaniam said and some do say that when Japan talks of Asia, this Asia ends somewhere near Manipur. It is East Asia, China, Japan, Korea, Yes, they are Asia. So is the ASEAN territory. I think, they also consider Indo-China as a part of Asia. This is my understanding of Japanese consciousness of Asia. I wonder whether it includes south Asia. So on this particular aspect we would expect more enlightenment from the Japanese scholars here and tell us whether this country is a part of Asian consciousness of Japan".<sup>1</sup> Inder Malhotra, a noted Indian Journalist, supported Vishal Singh's view and said, "I am delighted to be at this Seminar because this is the second occasion which shows some tangible evidence of Japanese interest in India as fellow Asians. I think it is not at Manipur that the Japanese concept of Asia ends, but at Rangoon".<sup>2</sup>

But changing trends of global politics in the wake of detente between the Superpowers and the revolutionary growth of Japan's economic might have brought various changes in Japanese diplomacy in Asia. In the present situation Japan

---

1 "Role of Japan and India", Japan-India Symposium 1981, (New Delhi: Japan Cultural Centre, 1981), pp. 26-27.

2 Ibid., p. 28.

is bound to play an expanded role in Asia, in particular, and in international affairs, in general. The utmost priority of Japan in Asia is to maintain peace and stability which ultimately serve her own economic purpose. Thus, under present scenario Japan is bound to take keen interest in the South Asian region which includes developing nations like India, Pakistan, Sri Lanka and even least developing countries such as Bangladesh, Nepal, Bhutan and Maldives. The Japanese leadership is making sincere efforts to contribute to the development of the South Asian region that certainly possess a vast market which has become a source of attraction to Japan. Japan is gradually emerging as a major investment and trade partner in this region. As the Japanese Prime Minister Toshiki Kaifu stated: "One of the keys to vigorous economic development of South Asia will be the minimisation of government regulation privatisation of state owned corporation as well as improved industrial infrastructure and stimulation of investment from inside and outside the country. As Japan is a major trade and investment partner of this region, the Government of Japan shall continue to improve and utilise institutional frameworks to realize a strengthened economic relationship in cooperation with the government of South Asia".<sup>3</sup>

---

3 Policy speech delivered by the Japanese Prime Minister Toshiki Kaifu on Japan and South Asia", in the Parliament House, New Delhi, April 30, 1990.

Thus, Japanese support to the SAARC assumes crucial importance in the formation of global trading and economic blocs. Japanese assurances are particularly valuable. Linkages between the SAARC countries and the land of the rising sun are perhaps the key to the economic future of the whole of South Asia. Already recent trends serve to highlight the crucial role of Japan in South Asia. In response to anxieties expressed by the countries of the region as to the levels of assistance to then given the large demands of Eastern Europe after their liberation, the Japanese Government has been swift to give assurances that levels of Japanese assistance to the countries of South Asia will remain unaffected. An indication of this was seen in the forementioned speech of the Japanese Prime Minister. Toshiki Kaifu in which he said, "The Government of Japan shall continue to make its utmost important "Incidentally, Japan has announced its support for political and economic reforms undertaken by East European Countries by offering economic cooperation to these, countries, which today draw the attention of the world. But I assure you that this in no way will weaken our determination to attach high priority to South Asia".<sup>4</sup>

---

4      Ibid.

At the heart of these reassurances is the Japanese assertion of its identity as an Asian country charged with the primary responsibility to maintain the peace and stability of this continent. In effect, Japan is increasingly changing her perception of the way the South Asian people regard themselves and their place in the world. In a remarkable speech given in Dhaka in August 1987, the erstwhile Foreign Minister of Japan, Karanari, had enunciated the principles guiding Japan's outlook and policy towards South Asia. The main pillar of Japanese policy is continuing support to the SAARC. This embraces not only economic support but more significantly political support to the SAARC.

Japanese people and the Japanese Government are no doubt, eager to extend their full cooperation to developing and improving the socio-economic conditions of South Asian nations as well as to further strengthening the friendly relations existing between Japan and South Asian countries. Japan wishes to see a prosperous South Asia, because it is a matter of national consensus in Japan that development assistance for the less developing countries is a historical task for Japan worthy of the efforts of Japan's 120 million



People. Reiterating this the Japanese Prime Minister Kaifu had further stated: "Peace and stability in Asia is a matter of great concern to Japan. Developments in pursuit of a new world order beyond East-West confrontation and the cold war mentality through dialogue and cooperation, must spread beyond Europe to this part of the world. The strategic environment and historical and cultural background of Asia differ significantly from those of Europe. To improve mutual trust among nations in this region, ensure security for individual countries at a lower level of armament and build international relations based on dialogue and cooperation, we must be engaged in multifaceted efforts that suit the realities of the region,, while taking account<sup>5</sup> of its characteristics." Having itself experienced the pains of modernization in the not so distant past, Japan fully appreciates how great the implications of the development issue would be, not only in the economic, but also in the social, and even political aspects. That is why South Asian countries repose their faith in Japan as a partner in their progress. The Japanese Government appears to be firmly determined to respond seriously to those expectations. So Japan has increased its development cooperation with these countries becoming a major trade and investment partner of the South Asian countries.

---

5      Ibid.

Thus, we find that there are clear prospects of cooperation and fresh thinking on relations between Japan and South Asian countries. Earlier, Japan might have attached low priority to South Asia for her own reasons but recent approach of the Japanese Government to this region is vigorous and energetic indeed. In order to make the process of cooperation smoother and develop better understanding between Japan and the countries of South Asia, the visit of the Prime Minister of Japan Toshiki Kaifu to the four South Asian countries, namely Bangladesh, India, Pakistan and Sri Lanka, in the last week of April 1990 is a landmark in the history of this region. By this visit, Japan has impressed upon the South Asian countries that Japan is upholding the policy of peace and stability in this region through her sincere economic and technological efforts for the overall development of the nations of this region. He said, "I shall positively implement the following concrete measures in order to give further depth and breath of Japan's relations with South Asian countries. These are namely the promotion of political and economic dialogue, the expansion of development assistance and the promotion of cultural exchange and cooperation". Thus,

this visit of Kaifu has further consolidated ties between Japan and South Asia.

Our analysis leads to an optimistic assessment of the possibilities of improving mutual cooperation between the countries of South Asia and Japan in the light of above discussion. Our main purpose has been to show that mutual cooperation is the basic necessity of the both Japan and the South Asian nations. Some helpful trends are by now more than apparent:

First, Japan's ambition to reemerge as an international actor Nakasone's repeated calls for the internationalization of Japan is an indication of this ambition. Takeshita who had also repeatedly emphasised that Japan must also revive and widen its trading ties with other nations rather than remain attached with Western nations and the U.S.A. His declaration on 5 May 1988 during the tour of Europe that Japan wished to adopt a high international profile in order to maintain peace in the world and to secure the prosperity of the international community, is an extension of the same dream.

Second, Japan's continuing friction with the U.S.A. and the European Community on matters of trade, tariffs and investments poses a serious threat to Japan's economic

status. In this strange situation Japan is bound to find out new markets for its goods and investments. For this obvious reason, the size and potential of South Asia's market will certainly be attractive to Japan.

Third, after acquiring a certain level of progress in agriculture, industry and technology, the countries of South Asia have been deriving utmost benefits from Japanese economic and technological assistance. So extension of collaboration with Japan is in order.

Finally, both the countries of South Asia and Japan have realized the imperatives of their economic interdependence. Fortunately, both have realized this urgency and have been making full efforts to provide added strength to their relations. The nations of South Asia and Japan are inclined towards each other because of their mutual interdependence and prevailing trends in global economic relations. Therefore, the future appears to hold a bright prospect for an exponential growth in Japanese South Asian relations, particularly in the economic field, and eventually for some sort of political understanding on major politico-strategic issues facing the Asia-Pacific region.

\*\*\*  
\*

SELECTED BIBLIOGRAPHY

## SELECTED BIBLIOGRAPHY

### A - PRIMARY SOURCES:

- INDIA, MINISTRY OF EXTERNAL AFFAIRS, REPORTS, 1955-1988.
- INDIA, FOREIGN AFFAIRS RECORDS, 1955-1988.
- INDIA, MINISTRY OF FOREIGN TRADE, REPORTS, 1955-1988.
- JAPAN, MINISTRY OF FOREIGN AFFAIRS, SOUTH ASIAN  
DIVISION, ECONOMIC RELATIONS BETWEEN JAPAN  
AND THE SAARC COUNTRIES (TOKYO 1990).
- JAPAN, JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE, 1989  
ANNUAL REPORT (TOKYO 1990).

### B - BOOKS AND ARTICLES:

- |                 |   |
|-----------------|---|
| Abraham, Joseph | <u>India's Trade with Japan:<br/>Constraints and Apportunities,</u><br>(New Delhi: Gian Publishing House,<br>1987). |
| Agrawal, B.M.   | <u>Indo-Japan Trade Relations - A<br/>Diagnosis,</u> (Jaipur: Alekh<br>Publishers, 1974).                           |
| Agrawal, P.N.   | <u>India's Export Strategy,</u><br>(New Delhi: Vikas Publishing House,<br>1978).                                    |
| Ahn, Ghung-Si   | 'Forces of Nationalism and Economism<br>Asian Regional Cooperation', <u>Asia<br/>Pacific Grant</u> , No. 7.         |
| Akashi, Y.      | 'Japan's Foreign Policy',<br><u>Yale Review</u> , 47(2), Dec. 57; 198-118.  |
| Akira, Kubota,  | 'Foreign Aid: Giving with one hand',<br><u>Japan Quarterly</u> 32(2), Jun 85:<br>1940-144.                          |

- Ali, Asar 'The Future of Indo-Japanese Relations'. Paper presented at 46th All-India Political Science Conference held at Pune, Nov.3-5, 1989.
- Bajpai, U.S. India and Japan - a New Relationship (New Delhi: Lancer, 1988).
- Ball, G.W. 'Economic Greatness Caries Responsibilities', Pacific Community 1(2), Jan. 70: 154-163.
- Barnds, W.J. 'Japanese Foreign Policy: Continuity and Change', World Today, 30(4), April 74: 151-160.
- Barry, Bujan 'Japan's Future: Old History verses New Roles', International Affairs, Vol. 64, No. 4, Autumn 1988.
- Broadbridge S., Coolick, M. 'Japan's International Policies. Political and Economic Motivations', International Affairs (London) 44(2) April 68 : 240-253.
- Brook, William L., 'Japan's Foreign Economic Assistance', O.R.R., Robert M. Jr., Asian Survey 25(3), March 85: 322-340.
- Do- 'Japan's Foreign Economic Assistance', Asian Survey 25(3), March 85: 322-339.
- Bruce Koppel and Michael Plummur, 'Japan's Assendency As a Foreign Aid Power : Asian Perspective', Asian Survey, Vol. XXIX, No. 11, Nov. 1989.
- Brzesinski, Z. 'Japan's Global Engagement', Foreign Affair, 50(2), Jan. 72: 270-282.
- Clark, Gregory, 'Japan in Asia - A Cultural Comparison', Asia Pacific Community, No. 17 (Summer 1982).

- Collick, R.M.V., 'The New' Japanese Foreign Policy',  
World Today, 29(2), Feb. 73: 80-88.
- Dagli, Vadilal India's Foreign Trade  
(Bombay: Vora and Co. Pvt. Ltd,  
1973).
- Donald, C. Hellmann 'Japan and South-East Asia: Continuity  
Amidst Change', Asian Survey, Vol.  
XIX, No. 12, Dec. 1979.
- Finn, Richard B. 'Continuity in Japan's Foreign  
And Defence Policies',  
Asia Pacific Conference, No. 10  
(July 1980).
- Fuji Oka, Masao, 'Japan's Policy on International  
Finance'.  
Asian Affairs, (New York) 5(5),  
March-June 78: 280-285.
- Fukui, Haruhiro, 'Japan in 1988'.  
Asian Survey, Vol. XXIX, No. 1,  
January 1989.
- Galtung J., 'Japan and Future World Politics',  
Journal of Peace Research 10(4)  
1973 : 355-385.
- Genda, Minoru 'Japan's National Defence'.  
Foreign Affairs Report, Vol. XX,  
No. 6, June 1971.
- George, A. Devos 'Achievement Orientation, Social  
Self-Identity, and Japanese  
Economic Growth', Asian Survey,  
Vol. V, No. 12, Dec. 1965.
- George, A.K. 'Asian Regionalism and India's  
Early Initiative: The Two Asian  
Conferences'.  
India Quarterly, 27:3(1971 JL-S)  
283-43.



- George, H. Blakeslee 'The Japanese Monroe Doctrine',  
Foreign Affairs, July 1933.
- George, R. Packard III, 'Living with the Real Japan',  
Foreign Affairs, Vol. 46, No. 1,  
Oct. 1967.
- Gibney, F. 'The View From Japan',  
Foreign Affairs 50(1), October 71:  
97-111.
- Goto, M., 'Japan in Asia',  
Japan Quarterly 16(4), Oct-Dec. 69:  
387-396.
- Guha, Ashok, 'India's Foreign Economic Policy:  
A Theoretical Framework',  
International Studies, 9:4 (1968  
389-403.
- Halliday, F. J.,  
McCormack, G. 'Japanese Imperialism Today:  
'Co-prosperity in Greater East Asia'.  
(Harmondsworth: Penguin; New York:  
Monthly Review Press, 1973).
- Haruhiro, Fukui, 'Japan in 1988',  
Asian Survey, Vol. XXIX, No. 1,  
January 1989.
- Hasegawa, S. 'Japanese Foreign Aid: Policy and  
Practice (London, New York: Praeger,  
1975).
- Hervadi, Andras, 'Pacific Region as a Growth sub-  
Center and Japan's role',  
Pacific Community (5), 1979: 109-128.

- Hirasawa, Kazushige 'Japan's Emerging Foreign Policy',  
Foreign Affairs, Vo. 54, No. 1,  
Oct. 1975.
- Horie, Shogoe 'Economic Relations between India  
and Japan'.  
India Quarterly, 15:1 (1959 Jan.-  
March): 53-54.
- Ichimura, Shin'ichi, 'Japan And South East Asia',  
Asian Survey, Vol. No. 7, July 1980.
- India, Loksabha Motion on Reported Heavy Losses in the  
Export of Iron Ore to Japan, Aug. 16,  
1974. Debates (India, Lok Sabha),  
42(19), Aug. 16, 1974.
- India, Lk Sabha. Italian - hour Discussion on Contract  
with Japan for Iron Ore Exports,  
New Delhi, Aug. 5, 1970.  
Debates (India, Lok Sabha), 42(8):  
Aug. 5, 1970.
- Iqbal, B.A. India's Trade with Japan  
(New Delhi: Academic Foundation,  
1989).
- Iqbal, B.A. Indo-Japan Trade Since 1960 (Tokyo:  
Institute of Developing Economics,  
1989).
- 'Japan in Changing Asia', Asia Pacific Community (4), 1979;  
1-48. (Abstracts 30-1962; 30-2008;  
30-2091; 30-2104).
- John, E. Orchard, 'Economic Consequences of Japan's  
Asiatic Policy'.  
Foreign Affairs, Vol. 12, No. 1,  
Oct. 1933.

- John, K. Emmerson, 'Concepts of Asia: From Tokyo and Washington'.  
Asia Pacific Community (2) 1978: 24-45.
- John, M. Maki 'Japan and World Politics in the 1970s',  
Pacific Affairs, Vol. 46, No. 2, Summer 1973.
- Joseph M. Ha and Jhn Guinasso, 'Japan's Rearmament. Dilemma: The Pradox of Recovery',  
Pacific Affairs, Vol. 53, No. 2, Summer 1980.
- Kanazava, M. 'Japan and the Balance of Power in Asia',  
Pacific Community 4(1) Oct. 72: 71-78.
- Kesavan, K.V. 'Indo-Japanese Relations Problems and Prospects'.  
Pacific Community, Vol. 9, No. 2, Jan. 1978.
- Do- 'Japan in South East Asia - III Economic Relations',  
Foreign Affairs Reports, Vol. XIV, No. 4, April 1965.
- Do- 'Japan in South East Asia - 1 Post War Reparations',  
Foreign Affairs Reports, Vol. XIV, No. 2, Feb. 1965.
- Do- 'Japan in South East Asia -II Growing Political Role',  
Foreign Affairs Reports, Vol. XIV, No. 3, March 1965.

- Do- 'Nakason's Visit to India and Prospects of Indo-Japanese Relations,' Asia Pacific Community, 25, 1984: 41-50.
- Khan, Z.R. 'Japanese Relations with India, Pakistan and Bangladesh', Pacific Affairs, 48(4), 1975-1976: 541-557.
- Kosaka, M. 'Japan's Major Interests and Policies in Asia and the Pacific', Orbis 19(3), 1975: 773-808.
- Kuroda, M. 'Some Basic Elements of Japan's Foreign Policy', Pacific Community 5(3), April 74: 380-391.
- Langdon, F.C. 'Japanese Reactions to India's Nuclear Explosion', Pacific Affairs 48(2), 1975: 173-180.
- Lockwood, William, W. 'Asian Triangle: China, India and Japan', Foreign Affairs 52(4), July 1984, 818-38.
- Murthy, P.A. Narsimha, India and Japan : Dimensions of Their Relations, Historical and Political. (New Delhi: ABC Publishing House, 1986).
- Do- 'Seminar on India and East Asia' (June 1967), International Studies, 9:4 (1968 Ap), 457-70.
- Ohira, M. 'Diplomacy for Peace, the aims of Japanese Foreign Policy', International Affairs (London) 40(3), July 64: 391-396.

- Ohira, M. 'A New Foreign Policy for Japan',  
Pacific Community 3(3), April 72:  
405-418.
- Ohno, K. 'On Some Inherent Characteristics  
of Japanese Diplomacy',  
Pacific Community 6(1), Oct. 74:  
55-68, (Abstract 25-3008).
- Olds, Burnell, C. 'Japan Harnesses Religion In The  
National Service',  
Foreign Affairs, April 1943.
- Olson, Lawrence A. Japan in Postwar Asia  
(Books Demand UMI, 1979).
- Onishi, Akira, 'Japanese Interests in South  
East Asia - A Japanese Views',  
Asian Survey, Vol. XI, No. 41,  
April 1971.
- Overholt, W.H. 'Japan's Emerging World Role',  
Orbis 19(2), 1975: 412-433.
- Ozaki, Robert, S.,  
and Walter Arnold  
(eds.) Japan's Foreign Relations - A  
Global Search for Economic Security  
Paulder, Col. : Westview Press, 1984).
- Pepper, Thomas, 'Japan's Asia Policy'.  
Pacific Community, Vol. 9, No. 2,  
Jan. 1978.
- Pepper, Thomas, 'Japan's Asia Policy'.  
Pacific Community 9(3) April 78:  
316-326.

- Prabhakar, Purkshottam, 'Indo Japanese Cooperation',  
Foreign Affairs Reports, Vol. XVI,  
No. 10, Oct. 1967.
- Quigg, P.W. 'Japan In Neutral'  
Foreign Affairs 44(2), Ja. 66:  
253-263.
- Quo, F. Quei, 'Japan's Role in Asia :  
A United States Surrogate',  
International Journal, 38(2),  
Sept. 83, 251-268.
- Rik, Alang G. Japan's Economic Aid : Polway  
Making and Politics (New York:  
St. Martin, 1980).
- Robert, A. Scalipino 'The Foreign Policy of Modern  
(ed.) Japan (Berkeley: University of  
California Press, 1977).
- Robert, S. Ozaki 'Japan's Role in Asian Economic  
Development',  
Asian Survey, Vol. VII, No. 4,  
April 1967.
- Rolef, S.H. 'The Changing Circumstances of  
Japan's Foreign Policy',  
Asian Survey, 16(11), Nov. 76:  
1034-1042.
- Rowen, Henry S. 'Japan and the Future Balance  
In Asia',  
Orbis, 21(2), 1977 : 191-210.
- Rubin, Barnett, R. 'Economic Liberatlisation and  
the Indian State',  
Third World Quarterly 7(4), Oct.  
85: 142-757.

- Ryutaro, Takahashi 'Trade Policies of the New Japan',  
Foreign Affairs, January 1952.
- Saburo, Okita 'Japan and the Developing Nations',  
Contemporary Japan 28(2), June 65,  
223:236.
- Saburo, Okita, 'Japan's Quite Strength',  
Foreign Policy, No. 75 Summer 1989.
- Saleem, Imran 'Indo-Japan Trade - The Emerging  
'Trends',  
The Economic Times, 30 October  
1989.
- Sareen, T.R. Japan and the India National Army  
(Delhi: Agam Prakashan, 1986).
- Sarkisov, O.Konstantin 'Japan And The U.S. in Asia',  
Asian Survey, Vol. XXIV, No. 11,  
November 1984.
- Seahchee, Meow, 'Major Powers and The Search for  
a New Equilibrium in Southeast Asia',  
Asia Pacific Community, No. 7  
(Winter 1980).
- Seiichi, T. 'Japan and the North-South question',  
Japan Quarterly 12(1) January -  
March 1965 : 17-26.
- Shibusawa, Masanide, Japan And The Asian Pacific Region:  
Profile of Change (New York : St.  
Martin, 1984).
- Sigur, G.L. 'Japan : Resurgent Power',  
Orbis 17(3), 1973 : 1010-1024.

- Simon, Sheldon W., 'Japan's Foreign Policy : Adjust-  
ments to a Changing Environment',  
Asian Survey 18(7) July 78: 666-86.
- Soukup, J.R. 'Japanese African Relations:  
Problems and Prospects',  
Asian Survey 5(7) July 65:33-340.
- Steinert, Marlis G. 'The Foreign Policy of Japan.  
In Search of a Model',  
East Asia 2, 1984, 119-132.
- Stewart, Charles T. 'Comparing Japanese and U.S.  
Technology Transfer to less  
developed Countries'.  
Journal of Northeast Asian Studies  
4(1), 1984 : 3-19.
- Stockwin, J.A.A. 'Continuity And Change in  
Japan Foreign Policy',  
Pacific Affairs 46(1), 1973: 77-93.
- Storry, R. 'The Best Course for Japan's  
Foreign Policy',  
Pacific Community 2(2) . Jan. 71:  
297-306 (Abstract 22-1710) .
- Storry, G.R., 'Japan's Position as a World Power',  
The World Today, Vol. 21, No. 5 May  
1965.
- Tamura, K. 'Japan's Foreign Relations',  
Contemporary Japan 26(4) , Nov. 60:  
616-634; 27(1) , May 61: 59-82.
- Tanaka, M. 'Postwar Foreign Relations',  
Contemporary Japan 23 (10-12) , 55:  
669-675.



- Toba, Kin'ichiro, 'Toward Genuine Exchanges With Southeast Asia', Asia Pacific Community (2), 1978: 69-77 (Abstract 29-4304).
- Toba, Reijiro, 'Japan's Southeast Asia Policy in This Last: Decade', Asia Pacific Contemporary, No. 15, (Winter, 1982).
- 'Trade Cooperation in The Asian Region', Asia Pacific Community (6), 1979: 1-55, (Abstracts 30-4239; 30-440, 30-4470).
- Trezise, Philip H., 'The Japan Relationship', Asia Pacific Community 8 Sept. 80: 1-34, (Abstract 32-113).
- Uyama, Atsushi, Ambassador of Japan An Address on 'Japan's Foreign Policy in the Seventies', at Indian Council of World Affairs, New Delhi, 12 February 1971.
- Verghese, B.G. 'A Reassessment of Indian Policy in Asia'. India Quarterly 17: 2 (1961 April-Jan.) 103-27.
- Vivacke, H.M. 'The Growth of An Independent Foreign Policy in Japan', Pacific Affairs 38(1) Spr. 65: 5-16 (Abstract 16-646).
- Vishwanathan, Savitri: Japan - the New Challenges (New Delhi Allied, Publisher 1982).
- Vogel, F. Ezra, 'Pax Nipporica?' Foreign Affairs, Spring 1986.

- Wakaizumi, Kei 'Japan's Passive Diplomacy Reconsidered',  
Asia Pacific Community, No. 3  
(Winter 1978-79).
- Do- 'Japanese Dilemma to Act or Not to Act',  
Foreign Politics 16, 1974: 30-47,  
(Abstract 25-3048).
- Do- 'Japan's Role in a New World Order',  
Foreign Affairs, Vol. 51, No. 2,  
(January 1973).
- Do- 'Japan Beyond 1970',  
Foreign Affairs 47(3), April 69:  
509-520 (Abstract 19-16-92).
- Wang, C.C. 'The Pan Asiatic Doctrine of Japan',  
Foreign Affairs, Vol. 13, No. 1,  
Oct. 1934.
- Willis, D.K. 'Japan in Asia' Rabbit, Porcupine  
or Tiger?"  
Pacific Community 1(4), July 70:  
602-611 (Abstract 22-1736).
- Yamamoto, N. 'New Phases of Assistance to Under-  
Developed Countries,'  
Japan Annu. Int. Affair, 1, 1961,  
173-188.
- Yanaga, Chitoshi 'Japanese People And Politics',  
John Willey Publishers, New York  
1958.

C - OTHER PERIODICALS CONSULTED:

Bangladesh Observer	(Dhaka)
Business Standard W.	(Calcutta)
Dawn Overseas D.	(Karachi)
Dawn D.	(Karachi)
Economic and Political Weekly W.	(Bombay)
Economic Times D.	(New Delhi)
Economist W.	(London)
Far Eastern Economic Review W.	(Hong Kong)
Financial Express D.	(New Delhi)
Foreign Affairs Reports M.	(New Delhi)
Hindustan Times D.	(New Delhi)
Hindu D.	(New Delhi)
Indian And Foreign Review B/M	(New Delhi)
Indian Express D.	(New Delhi)
Japan Times D.	(Tokyo)
Mainstream W.	(New Delhi)
Pakistan Times D.	(London)
Patriot D.	(New Delhi)
Survival M.	(London)
Times of India D.	(New Delhi)
World Focus M.	(New Delhi)
World Today M.	(London)

APPENDIX A\*

JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE  
TO SOUTH ASIAN COUNTRIES, 1984 - 1988.

---

\* Source : Japan's Official Development  
Assistance, 1989 Annual Report (Tokyo)  
Ministry of Foreign Affairs, 1989).

B Share of DAC Countries in Total Bilateral ODA received by Vietnam (1981)				(\$ million)
	Sweden	Finland	France	Others
	\$38.37	\$11.92	\$5.94	\$2.77
	58.3%	18.1%	9.0%	14.5%
Total Bilateral ODA Received		65.78		
Total Multilateral ODA Received		50.85		

## Southwest Asia

### BANGLADESH

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984	<ul style="list-style-type: none"> <li>Power Plant Berge (60.65)</li> </ul> <p>(Total 60.65)</p>	<ul style="list-style-type: none"> <li>Food Aid (34.71)</li> <li>Aid for Increased Food Production (33.50)</li> <li>Project for the Construction of the General Hospital in Narayanganj (16.80)</li> <li>Project for the Improvement of Medical Equipment for the Upazila Health Complex and the District Hospital (8.32)</li> <li>Project for the Improvement of Water Supply System in New District Towns (7.63)</li> <li>Rehabilitation Project in the Area Affected by the Flood and Cyclone (6.00)</li> <li>Debt Relief (23.72)</li> <li>Three other projects (7.24)</li> </ul> <p>(Total 137.93)</p>	<p>(Total 10.13)</p>
1985	<ul style="list-style-type: none"> <li>Commodity Loan (160.70)</li> <li>Gas Turbine Power Plant Construction Project (75.10)</li> <li>Telecommunication Network Expansion Project (34.20)</li> <li>Commodity Loan (163.90)</li> <li>Greater Dhaka Telecommunications Network Improvement Project (63.20)</li> <li>Chittagong Steel Mill Rehabilitation Project (47.90)</li> </ul> <p>(Total 545.00)</p>	<ul style="list-style-type: none"> <li>Emergency Aid (2.84)</li> <li>Project for the Construction of the General Hospital in Narayanganj (6.10)</li> <li>Project for the Improvement of Water Supply System in New District Towns (14.53)</li> <li>Project for the Construction of Upazila Connecting Roads (11.00)</li> <li>Food Aid (31.05)</li> <li>Project for the Construction of the Foodgrain Storages (5.36)</li> <li>Debt Relief (28.10)</li> <li>Four other projects (48.90)</li> </ul> <p>(Total 147.88)</p>	<p>(Total 9.67)</p>



1986	<ul style="list-style-type: none"> <li>Chittagong Urea Fertilizer Project (35.51)</li> </ul>	<ul style="list-style-type: none"> <li>Project for the Improvement of Water Supply System (15.80)</li> <li>Project for the Replacement of Weather Surveillance Radars (5.36)</li> <li>Debt Relief (33.85)</li> <li>Project for the Replacement of Medium-Wave Transmitter (3.73)</li> <li>Power Distribution Project (3.00)</li> <li>Project for the Improvement of Fire Fighting and Rescue Equipment (2.50)</li> <li>Audio-Visual Equipment to the Bangladesh Institute of Distance Education (0.39)</li> <li>Aid for Increased Food Production (12.00)</li> <li>Improvement of Medical Equipment for the Institute of Cardio-Vascular Disease (10.1)</li> <li>Project for the Construction of Food Grain Storages (11.04)</li> <li>Project for the Construction of the Meghna Bridge (11.95)</li> <li>Rehabilitation Project in the Flood &amp; Cyclone Affected Area (7.00)</li> <li>Food Aid (20.00)</li> </ul>	
	(Total 35.51)	(Total 130.65)	(Total 11.64)
1987	<ul style="list-style-type: none"> <li>Sylhet Combined Cycle Power Plant Construction Project (81.7)</li> <li>Commodity Loan (158.3)</li> </ul>	<ul style="list-style-type: none"> <li>Project for the Construction of Meghna Bridge (19.86)</li> <li>Project for the Improvement of Water Supply System (12.42)</li> <li>Food Aid (25.00)</li> <li>Project for the Construction and Rehabilitation of the Sewerage System (1.82)</li> <li>Project for the Improvement of Safety Services and Motor Transport Vehicles (3.95)</li> <li>Rehabilitation Project in the Flood &amp; Cyclone Affected Area (8.50)</li> <li>Rehabilitation Project for the Terminal Irrigation Facilities in Narail, Tangail, and Brahmanbaria Area (1.95)</li> <li>Loan for Broad Casting to Bangladesh Television (1.46)</li> <li>Debt Relief (42.18)</li> <li>Aid for Increased Food (5.6)</li> <li>Project for the Improvement of the Mail Vans and Motor Vehicles (1.39)</li> <li>Project for the Improvement of the Road Network (6.41)</li> </ul>	
	(Total 240.00)	(Total 141.00)	



1988	<ul style="list-style-type: none"> <li>• Commodity Loan (131.00)</li> <li>• Madhapara Hard Rock Mining Project (4.41)</li> <li>• Jamura Fertilizer Project (138.53)</li> <li>• Chittagong Caustic Soda Plant Rehabilitation Project (20.76)</li> <li>• Ghorasal Urea Fertilizer Factory Renovation Project (103.43)</li> <li>• Emergency Commodity Loan (75.00)</li> <li>• Jamura Fertilizer Project (II) (185.00)</li> </ul>	<ul style="list-style-type: none"> <li>• The Project for the Construction of the Meghna Bridge (19.99)</li> <li>• The Project for the Improvement of Water Supply System in New District Towns (9.62)</li> <li>• The Whole Rehabilitation Project the Terminal Irrigation Facilities in Narayanganj — Narshingdi Area (5.36)</li> <li>• The Project for the Construction and Rehabilitation of the Sewerage System (16.30)</li> <li>• Food Aid (19.00)</li> <li>• Grand Aid for Disaster Relief (0.289)</li> <li>• " " (0.675)</li> <li>• " " (10.00)</li> <li>• " " (0.186)</li> <li>• The Project for the Improvement of Ice Plants, Processing Units and Related Facilities of Bangladesh Fisheries Development Corporation (1.54)</li> <li>• The Project for the Construction of Narayanganj — Narshingdi Irrigation Facilities (0.76)</li> <li>• Debt Relief (52.32)</li> <li>• Equipment of Preservation and Conservation of Paharpur Buddhist Monastery (0.38)</li> </ul>	
	(Total 475.13)	(Total 136.42)	(Total 12.37)

A. Japan's ODA Disbursements to Bangladesh

Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
					(%)
1984	42.95	5.24	48.19	75.10	123.28(5.1)
1985	55.86	6.29	62.15	59.33	121.48(4.8)
1986	49.35	9.30	58.65	189.82	248.47(6.5)
1987	124.61	11.25	135.86	198.34	334.20(6.4)
1988	118.71	15.01	133.72	208.24	341.96(5.3)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA

B. Share of DAC Countries in Total Bilateral ODA received by Bangladesh (1987)

	Japan	U.S.A.	Canada	Neth.	F.R.G.	Others
	\$334.20	\$146.00	\$101.95	\$66.97	\$66.13	\$211.26
	36.1%	15.8%	11.0%	7.2%	7.1%	22.8%

Total Bilateral ODA Received 926.51  
Total Multilateral ODA Received 684.52



# BHUTAN

		(Hundred Million Yen)	
Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984	—	• Aid for Increased Food Production (4.00) (Total 4.00)	(Total 0.39)
1985	—	• Project for the Construction of the Micro Hydro Power Facilities (6.24) • Aid for Increased Food Production (1.00) (Total 7.24)	(Total 0.51)
1986	—	• Aid for Increased Food Production (2.00) • Project for Agriculture Development (6.66) (Total 8.66)	(Total 0.74)
1987	—	• Aid for Increased Food Production (2.00) • Agriculture Development Project (2.13) • Project for Construction and Maintenance of Roads (4.12) (Total 8.25)	(Total 1.19)
1988	—	• Aid for Increased Food Production (2.50) (Total 2.50)	(Total 2.04)

## A Japan's ODA Disbursements to Bhutan

(\$ million)					
Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
					(%)
1984	1.69	0.21	1.90	—	1.90(0.1)
1985	1.38	0.21	1.59	—	1.59(0.1)
1986	4.82	0.49	5.32	—	5.32(0.1)
1987	3.74	0.49	4.23	—	4.23(0.1)
1988	5.24	1.52	6.77	—	6.77(0.1)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA.

## B. Share of DAC Countries in Total Bilateral ODA received by Bhutan (1987)

(\$ million)				
Japan	Norway	Swiss	Others	
\$4.23	\$3.06	\$2.37	\$1.80	
36.9%	26.7%	20.7%	15.7%	

Total Bilateral ODA Received 11.46  
Total Multilateral ODA Received 23.50



INDIA

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984	<ul style="list-style-type: none"> <li>• Bijaipur Fertilizer Plant Project (150.00)</li> <li>• Telecommunication Expansion Project (54.30)</li> <li>• Ammonium Sulphate Caprolactum Plant Project (102.00)</li> <li>• Nitrophosphate Fertilizer Plant Project (41.00)</li> <li>• Aonla Fertilizer Plant Project (81.95)</li> <li>• Gas Pipeline Project (200.00)</li> <li>• Telecommunication Network Expansion Project (75.35)</li> <li>• Eastern Gandak Canal Hydroelectric Project (16.30)</li> </ul> <p>(Total 720.90)</p>	<ul style="list-style-type: none"> <li>• Project for the Improvement of Educational and Research Equipment of the University of Delhi (5.00)</li> <li>• Project for the Improvement of Medical Equipment at Regional Cancer Centers (5.00)</li> <li>• Research, Preservation Equipment (0.50)</li> <li>• Microfilm, Audiovisual Equipment (0.20)</li> <li>• Debt Relief (17.74)</li> </ul> <p>(Total 28.44)</p>	<p>(Total 2.87)</p>
1985	<ul style="list-style-type: none"> <li>• Gas Pipeline Project (158.00)</li> <li>• Aonla Fertilizer Plant Project (95.00)</li> <li>• Sardar Sarovar Hydro Electric Project (28.50)</li> <li>• Ujjani Hydro Electric Project (15.00)</li> <li>• Telecommunication Network Expansion Project (95.81)</li> <li>• Assam State Gas Turbine Power Station and Transmission Line Construction Project (300.00)</li> </ul> <p>(Total 692.31)</p>	<ul style="list-style-type: none"> <li>• Aid for Increased Food Production (12.00)</li> <li>• Debt Relief (15.85)</li> <li>• Equipment for Studies of the Fine Arts and Agricultural Education (0.43)</li> </ul> <p>(Total 28.28)</p>	<p>(Total 1.96)</p>
1986	<ul style="list-style-type: none"> <li>• Gas Pipeline Project (III) (189.04)</li> <li>• Aonla Fertilizer Plant Project (III) (58.39)</li> <li>• Telecommunications Project (IX) (118.84)</li> <li>• Teesta Canal Hydroelectric Project (80.25)</li> <li>• Haldia Port Modernization Project (37.91)</li> </ul> <p>(Total 484.43)</p>	<ul style="list-style-type: none"> <li>• Project for the Improvement of Medical Equipment of Sanjay Gandhi Post Graduate Institute (19.73)</li> <li>• Debt Relief (14.12)</li> <li>• Aid for Increased Food Production (6.00)</li> <li>• Sports Equipment to the National Institute of Sports (0.38)</li> </ul> <p>(Total 40.23)</p>	<p>(Total 4.80)</p>
1987	<ul style="list-style-type: none"> <li>• Srisaifam Left Bank Hydro Power Station Project (261.01)</li> <li>• Purulia Pumped Storage Project (E/S) (6.28)</li> <li>• Anpara 'B' Thermal Power Station Construction Project (II) (142.95)</li> <li>• Assam Gas Power Station and Transmission Line Construction Project (II) (135.52)</li> <li>• Tamil Nadu Small-Scale Enterprises Development Project (31.98)</li> <li>• Malankhand Copper Project (E/S) (27.31)</li> <li>• Telecommunication Network Expansion Project (X) (33.37)</li> <li>• Gorakhpur Fertilizer Plant Revamping/Rehabilitation Project (26.41)</li> </ul>	<ul style="list-style-type: none"> <li>• Project for the Improvement of Medical Equipment for Sanjay Gandhi Postgraduate Institute (13.45)</li> <li>• Project for the Improvement of Testing and Training Equipments for Agricultural Machinery (3.71)</li> <li>• Project for the Improvement of Medical Equipment for Regional Cancer Centers (5.08)</li> <li>• Debt Relief (12.55)</li> <li>• Fishery Survey Vessel Building Project (9.15)</li> <li>• Aid for Increased Food Production (0.00)</li> </ul>	



	<ul style="list-style-type: none"> <li>• F A C T. Cochin Division Cap- tive Power Plant Project (20.00)</li> <li>• Commodity Loan (295.00)</li> </ul> <p>(Total 979.77)</p>	(Total 49.91)	(Total 6.56)
1988	<ul style="list-style-type: none"> <li>• Raichur Thermal Power Station Expansion Project (231.42)</li> <li>• Ghatghar Pumped Storage Pro- ject (114.14)</li> <li>• Tourism Development Project (92.44)</li> <li>• Small Scale Industries Develop- ment Project (195.00)</li> <li>• Upper Kolab Irrigation Project (37.69)</li> <li>• Upper Indravati Irrigation Pro- ject (37.44)</li> <li>• Rangundam Fertilizer Plant Rehabilitation Project (111.32)</li> <li>• Mysore Power Mills Moderniza- tion Project (23.81)</li> <li>• Modernization of the Hooghly Dock and Port Engineers Pro- ject (35.08)</li> <li>• Modernization Project of Burn- pur Steel Works (55.46)</li> </ul> <p>(Total 933.80)</p>	<ul style="list-style-type: none"> <li>• Project for the Improvement of Educational Technology Equip- ment of the Indira Gandhi Na- tional Open University (6.11)</li> <li>• Project for the Improvement of Medical Equipment of Regional Cancer Center (II) (6.41)</li> <li>• Debt Relief (11.09)</li> <li>• Aid for Increased Food Produc- tion (6.00)</li> <li>• Audio-Visual Equipment to the Indira Gandhi National Art Center (0.41)</li> </ul> <p>(Total 30.02)</p>	(Total 5.03)

A. Japan's ODA Disbursements to India

(\$ million)

Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
					(%)
1984	14.45	3.15	17.60	4.01	21.60(0.9)
1985	9.65	4.49	14.14	7.77	21.91(0.9)
1986	22.53	6.94	29.47	197.23	226.71(5.9)
1987	23.05	10.12	33.16	270.78	303.94(5.8)
1988	35.28	10.31	45.59	133.87	179.46(2.8)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA.

B. Share of DAC Countries in Total Bilateral ODA received by India (1987)

(\$ million)

Japan	F.R.G.	Neth.	U.K.	France	Others
\$303.93	\$136.60	\$104.00	\$76.57	\$69.42	\$266.29
31.8%	14.3%	10.9%	8.0%	7.3%	27.8%

Total Bilateral ODA Received: 956.81

Total Multilateral ODA Received: 914.29



# MALDIVES

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984		<ul style="list-style-type: none"> <li>Construction of Primary Schools (3.80)</li> <li>Food Aid (1.05)</li> <li>(Total 4.85)</li> </ul>	(Total 0.89)
1985		<ul style="list-style-type: none"> <li>Telecommunication Development Project (6.39)</li> <li>Food Aid (1.00)</li> <li>(Total 7.39)</li> </ul>	(Total 0.97)
1986		<ul style="list-style-type: none"> <li>Food Aid (0.85)</li> <li>Equipment for Producing TV Programs to TV Maldives (0.43)</li> <li>Telecommunications Development Project (9.65)</li> <li>(Total 10.93)</li> </ul>	(Total 0.99)
1987		<ul style="list-style-type: none"> <li>Telecommunications Development Project (3.40)</li> <li>Project for the Construction of the Primary School in Male (6.72)</li> <li>Project for the Construction of the Breakwaters on the Southern Coast of Male (4.97)</li> <li>Food Aid (0.85)</li> <li>(Total 15.94)</li> </ul>	(Total 1.87)
1988		<ul style="list-style-type: none"> <li>Telecommunications Development Project (4.99)</li> <li>Project for the Construction of the Breakwaters on the Southern Coast of Male (6.82)</li> <li>Food Aid (0.75)</li> <li>(Total 12.56)</li> </ul>	(Total 1.45)

## A Japan's ODA Disbursements to Maldives

(\$ million)

Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
1984	2.06	0.27	2.33	△0.31	2.02(0.1)
1985	1.89	0.49	2.38	△0.30	2.08(0.1)
1986	4.34	0.56	4.90	△0.56	4.34(0.1)
1987	4.52	1.37	5.88	—	5.88(0.1)
1988	15.14	1.47	16.61	—	16.61(0.3)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA

## B. Share of DAC Countries in Total Bilateral ODA received by Maldives (1987)

(\$ million)

Japan	Norway	F.R.G.	U.K.	Others
\$5.88	\$2.12	\$1.52	\$1.15	\$1.64
47.8%	17.2%	12.3%	9.3%	13.3%

Total Bilateral ODA Received 12.31

Total Multilateral ODA Received 8.74



NEPAL

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984	—	<ul style="list-style-type: none"> <li>• Aid for Increased Food Production (26.00)</li> <li>• Project for the Construction of Nursing School (11.60)</li> <li>• Project for the Irrigation Facilities Construction (6.00)</li> <li>• Project for the Improvement of the Transportation Capacity (5.00)</li> <li>• The Rural Electrification Project (3.00)</li> <li>• The Children's Hospital Medical Equipment Upgrading Project (2.80)</li> <li>• Rural Telecommunication Network Improvement Project (1.54)</li> <li>• Project for Rehabilitation of School Facilities (1.50)</li> <li>• Debt Relief (1.41)</li> <li>(Total 58.85)</li> </ul>	(Total 12.14)
1985	—	<ul style="list-style-type: none"> <li>• Project for the Expansion of Horticulture Development Center (8.47)</li> <li>• Project for the Improvement of the Load Dispatching Network (5.89)</li> <li>• Project for the Reinforcement of Power Distribution Network in Kathmandu (5.03)</li> <li>• Project for the Construction of the Food Storage (3.36)</li> <li>• Rural Telecommunication Network Improvement Project (12.25)</li> <li>• Art Display Equipment to the Royal Nepal Academy (0.29)</li> <li>• Aid for Increased Food Production (26.00)</li> <li>• Debt Relief (0.22)</li> <li>• Three other projects (6.00)</li> <li>(Total 62.12)</li> </ul>	(Total 2.27)
1986	—	<ul style="list-style-type: none"> <li>• Construction of Food Storage (11.20)</li> <li>• Equipment for Paleomagnetic Studies to Tribhuvan University (0.29)</li> <li>• Rural Telecommunication Network Improvement Project (22.45)</li> <li>• Debt Relief (2.10)</li> <li>• Aid for Increased Food Production (21.00)</li> <li>• Food Aid (3.00)</li> <li>• Project for the Reinforcement of Power Distribution Network in Kathmandu Valley (4.90)</li> <li>(Total 64.94)</li> </ul>	(Total 16.10)
1987	<ul style="list-style-type: none"> <li>• U Japur Cement Plant Project (187.70)</li> </ul>	<ul style="list-style-type: none"> <li>• Rural Telecommunication Network Improvement Project (10.05)</li> <li>• Project for the National ... (14.10)</li> </ul>	



		<ul style="list-style-type: none"> <li>• Rehabilitation of School Facilities (20.00)</li> <li>• River Training (11.79)</li> <li>• Improvement of Transportation Capacity (11.96)</li> <li>• Increased Food Production Aid (20.0)</li> <li>• Grant Aid for Debt Relief (2.24)</li> <li>• Display Equipment for the Cultural Assets to the National Museum of Nepal (0.49)</li> </ul>	
	(Total 187.70)	(Total 71.84)	(Total 18.89)
1988	—	<ul style="list-style-type: none"> <li>• Aid for Increased Food Production (7.00)</li> <li>• Project for Rehabilitation of School Facilities (2.00)</li> <li>• River Training Project (8.45)</li> <li>• Project for the Improvement of the Transportation Capacity (8.25)</li> <li>• Emergency Relief (0.405)</li> <li>• Project for Expansion and Development of the Medium Wave Radio Broadcasting Network (14.60)</li> <li>• Project for the Water Supplies to Urban and Semi-Urban Centers (4.05)</li> <li>• Debt Relief (2.20)</li> <li>• Aid for Increased Food Production (8.50)</li> </ul>	
		(Total 55.46)	(Total 19.28)

A. Japan's ODA Disbursements to Nepal

Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
					(%)
1984	15.15	6.40	21.55	6.97	28.52(1.2)
1985	36.31	4.82	41.13	9.61	50.74(2.0)
1986	44.66	9.05	53.71	14.35	68.07(1.8)
1987	49.98	14.74	64.72	62.05	76.78(1.5)
1988	41.37	14.56	55.93	6.43	62.36(1.0)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA

B. Share of DAC Countries in Total Bilateral ODA received by Nepal (1987)

	F.R.G.	U.S.A.	U.K.	Others
Japan	\$26.74	\$20.00	\$16.26	\$49.44
40.6%	14.1%	10.6%	8.6%	26.1%

Total Bilateral ODA Received 189.21  
Total Multilateral ODA Received 151.75



PAKISTAN

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984		<ul style="list-style-type: none"> <li>• Project for the Construction of Machinery Training Centre (29.70)</li> <li>• Aid for Increased Food Production (29.00)</li> <li>• Project for the Establishment of the College of Nursing and Paramedical Institute (15.90)</li> <li>• Project for the Exploitation of Ground Water (13.30)</li> <li>• Equipment for the Preservation and Exhibition of Cultural Properties (0.50)</li> <li>• Equipment for the Restoration and Preservation of Mohenjo Daro (0.50)</li> <li>• Debt Relief (5.14)</li> </ul> (Total 94.04)	(Total 6.60)
1985	<ul style="list-style-type: none"> <li>• Commodity Loan (85.00)</li> <li>• Jamshoro Thermal Power Station Project (89.77)</li> <li>• Railway Transportation Reinforcement Project (148.00)</li> </ul> (Total 322.77)	<ul style="list-style-type: none"> <li>• Project for the Improvement of Equipment for Punjab Medical College (16.70)</li> <li>• Project for the Establishment of the College of Nursing and Paramedical Institute (9.20)</li> <li>• Project for the Exploitation of the Ground Water (9.37)</li> <li>• Aid for Increased Food Production (29.00)</li> <li>• Debt Relief (4.64)</li> <li>• Project for the Modernization of Science Laboratories in the Quaid-Azam University (13.40)</li> <li>• Project for the Improvement of Equipment for National Institute of Cardiovascular Diseases (7.80)</li> <li>• Cultural Grant Aid (0.41)</li> </ul> (Total 90.52)	(Total 8.02)
1986	—	<ul style="list-style-type: none"> <li>• Improvement Project of the Educational Equipment of the Mehran University of Engineering and Technology (12.82)</li> <li>• Improvement Project of the Research Equipment of H E J. Research Institute of Chemistry, University of Karachi (12.33)</li> <li>• Project for the Establishment of High Voltage and Short Circuit Testing Laboratory (1.06)</li> <li>• Project for the Improvement of Medical Services for Sind And Zone (8.42)</li> <li>• Upgrading Project for Pakistan Marine Academy (5.19)</li> <li>• Debt Relief (1.32)</li> <li>• Project for the Improvement of Roads in Frontier Area (13.46)</li> <li>• Aid for Increased Food Production (29.00)</li> </ul> (Total 97.00)	(Total 9.70)



1987	<ul style="list-style-type: none"> <li>• Bin Qasim Thermal Power Station Expansion Project (153.00)</li> <li>• Telex Network Expansion Project (19.00)</li> <li>• Dredger Procurement Project (43.33)</li> <li>• Pat Feeder Canal Rehabilitation and Improvement Project (15.51)</li> </ul> <p>(Total 340.84)</p>	<ul style="list-style-type: none"> <li>• Upgrading Project for Pakistan Marine Academy (11.20)</li> <li>• Project for the Construction of the High-Voltage and Short-Circuit Testing Laboratory (9.72)</li> <li>• Project for the Improvement of Educational Equipment of Mehran University of Engineering and Technology (8.81)</li> <li>• Project for the Improvement of Educational Equipment of Baluchistan Engineering College Khuzdar (6.49)</li> <li>• Agriculture Development Project in Nashirabad (3.96)</li> <li>• Project for the Exploitation of Ground Water (22.73)</li> <li>• Grant for Debt Relief (4.08)</li> <li>• Grant for the Increase of Food Production (25.00)</li> </ul> <p>(Total 91.99)</p>	(Total 16.18)
1988	<ul style="list-style-type: none"> <li>• Commodity Loan (90.0)</li> <li>• Rural Electrification Project (207.38)</li> <li>• Diesel Power Station Project (65.85)</li> <li>• 500kV Multan and Guddu Substation Extension Project (33.03)</li> <li>• Commodity Loan (105.0)</li> <li>• Metropolitan Water Supply Project (Khanpur I) (125.18)</li> <li>• Metropolitan Water Supply Project (Simly) (57.5)</li> <li>• Second 220kV Gudd-Sibbi-Quetta Transmission Line Project (49.15)</li> <li>• Indus Highway Project (85.16)</li> <li>• Daudkhel Fertilizer Plant Modernization Project (185.98)</li> </ul> <p>(Total 1,004.23)</p>	<ul style="list-style-type: none"> <li>• Project for the Construction of the High-Voltage and Short Circuit Testing Laboratory (II) (22.09)</li> <li>• Project for the Improvement of Educational Equipment of Baluchistan Engineering College Khuzdar (3.57)</li> <li>• Agriculture Development Project in Nashirobad (16.68)</li> <li>• Aid for Increased Food Production (18.5)</li> <li>• Emergency Relief (10.0)</li> <li>• Emergency Relief (2.38)</li> <li>• Food Aid (10.0)</li> <li>• Debt Relief (3.83)</li> <li>• Sports Equipment for the Sports Board (0.47)</li> <li>• Project for the Improvement of Construction Machinery of Frontier Works Organization (15.21)</li> <li>• Project for Rehabilitation of the Area Suffering from the Flood (0.00)</li> </ul> <p>(Total 108.73)</p>	(Total 14.16)

A. Japan's ODA Disbursements to Pakistan

Year	Grants			Loan Aid	Total
	Grant Aid	Technical Cooperation	Total		
					(%)
1984	42.72	3.01	45.72	21.31	67.03(2.8)
1985	38.52	4.74	43.26	50.05	93.31(3.6)
1986	31.90	6.94	38.84	112.72	151.56(3.9)
1987	61.78	11.01	72.80	53.89	126.69(2.4)
1988	89.46	13.75	103.21	196.97	302.17(4.7)

(Note) Figures in parentheses indicate the percentage within Japan's total bilateral ODA



B. Share of DAC Countries in Total Bilateral ODA received by Pakistan (1987)

(\$ million)

Japan	U.S.A	F.R.G	Canada	France	Others
\$126.69	\$90.00	\$50.50	\$37.99	\$34.06	\$101.22
28.8%	20.4%	11.5%	8.6%	7.7%	23.0%

Total Bilateral ODA Received: 440.46

Total Multilateral ODA Received: 471.85

SRI LANKA

(Hundred Million Yen)

Fiscal Year	Loan Aid	Grant Aid	Technical Cooperation
1984	<ul style="list-style-type: none"> <li>Greater Colombo Telecommunication Network Improvement Project (103.59)</li> <li>Port of Colombo Expansion Project (Supply of Equipment; Phase II) (25.79)</li> <li>Commodity Loan (24.32)</li> </ul>	<ul style="list-style-type: none"> <li>Aid for Increased Food Production (26.00)</li> <li>Project for the Rehabilitation of Water Treatment Plants in Colombo (14.90)</li> <li>Project for the Expansion of Television Broadcasting (14.30)</li> <li>Project for the Establishment of the Matara College of Education (13.40)</li> <li>Project for the Improvement of Educational Equipment of the University of Ruhuna (5.20)</li> <li>Project for the Improvement of Equipment for the Telecommunication Training Centres (5.70)</li> <li>Three other projects (7.40)</li> </ul>	
	(Total 153.70)	(Total 87.90)	(Total 11.01)
1985		<ul style="list-style-type: none"> <li>Project for the Establishment of the Matara College of Education (20.00)</li> <li>Aid for Increased Food Production (26.00)</li> <li>Project for the Establishment of the National Youth Center (10.30)</li> <li>Project for the Establishment of the Pharmaceutical Formulation Center of Essential Drugs (18.60)</li> <li>Debt Relief (2.45)</li> <li>Emergency Aid (6.20)</li> <li>Other three projects (12.72)</li> </ul>	
		(Total 89.27)	(Total 15.45)
1986	<ul style="list-style-type: none"> <li>Samanalawewa Hydro-electric Power Project (145.00)</li> <li>Commodity Loan X (25.00)</li> </ul>	<ul style="list-style-type: none"> <li>Project for the Improvement of the Institute of Fundamental Studies (8.77)</li> <li>Debt Relief (2.24)</li> <li>Project for the Improvement of Drinking Water Supply (6.70)</li> <li>Project for the Establishment of Plant Genetic Resources Center (3.74)</li> <li>Project for the Establishment of National Youth Center (18.60)</li> </ul>	



		<ul style="list-style-type: none"> <li>• Emergency Aid (0.21)</li> <li>• Project for the Establishment of Pharmaceutical Formulation Center (7.04)</li> <li>• The Central Store for Medical Supplies &amp; Equipment (13.43)</li> <li>• Aid for Increased Food Production (28.00)</li> </ul>	
	(Total 170.00)	(Total 94.15)	(Total 14.36)
1987	<ul style="list-style-type: none"> <li>• Samanawewa Hydroelectric Power Project (139.2)</li> <li>• Port of Colombo Expansion Project (19.55)</li> <li>• Commodity Loan (35.00)</li> <li>• Mahaweli Development Project (System C) (29.50)</li> <li>• Mahaweli Development Project (System B Right Bank) (83.92)</li> <li>• Minipe and Nagadeepa Irrigation Rehabilitation Project (18.50)</li> <li>• Roads Reconstruction Program (123.14)</li> </ul>	<ul style="list-style-type: none"> <li>• Project for the Establishment of Plant Genetic Resources Center (10.15)</li> <li>• Musical Instruments to the Ministry of Education (0.46)</li> <li>• Emergency Aid (0.24)</li> <li>• The Fishing Ports Maintenance Project (5.62)</li> <li>• Project for the Improvement of the Medical Research Institute (10.38)</li> <li>• Project for the Establishment of the National Training Center for Automobile Engineering (13.58)</li> <li>• Aid for Increased Food (28.00)</li> <li>• Project for the Rehabilitation and Reconstruction (11.20)</li> <li>• Debt Relief (2.00)</li> <li>• Project for the Improvement of the Equipment for the Anti-Malaria Campaign (4.55)</li> <li>• Project for the improvement of the Educational Equipment for the University of Moratuwa (9.09)</li> </ul>	
	(Total 448.81)	(Total 95.27)	(Total 18.57)
1988	<ul style="list-style-type: none"> <li>• Commodity Loan (30.00)</li> <li>• Transmission System Augmentation &amp; Development Project (43.60)</li> <li>• Commuter Train Improvement Project (67.42)</li> </ul>	<ul style="list-style-type: none"> <li>• The Project for the Improvement of the Medical Research Institute (18.42)</li> <li>• The Project for the Establishment of the National Training Centre for Automobile Engineering (7.86)</li> <li>• The Project for the Improvement of the Equipment for the Emergency Medical Services (2.36)</li> <li>• The Project for the Improvement of the Equipment for the Model Villages (14.55)</li> <li>• The Project for the Improvement of the Short Wave Radio Broadcasting (12.73)</li> <li>• The Project for the Reconstruction of the Victoria Bridge (0.53)</li> <li>• Debt Relief (1.79)</li> <li>• Aid for Increased Food Production (26.00)</li> <li>• The Project for the Development of the Rehabilitation for Minipe-Nagadeepa (4.49)</li> </ul>	
	(Total 141.02)	(Total 88.73)	(Total 21.45)

APPENDIX B \*

ECONOMIC RELATIONS BETWEEN JAPAN  
AND SOUTH ASIAN COUNTRIES 1970-1988.

---

\* Source: Economic Relations between  
Japan and the SAARC Countries  
(Tokyo: Ministry of Foreign  
Affairs, 1990).

\*\*\*\*

## Economic Relations Between Japan and the SAARC Countries

- I .Japan's Trade with the SAARC Countries
- II .Japan's Direct Investment in the SAARC Countries
- III .Japan's Economic Cooperation with the SAARC Countries
- IV .Major Trading Partners of the SAARC Countries
- V .ODA from the DAC Countries to the SAARC Countries  
( ODA Net)
- VI .ODA from the DAC Countries to the SAARC Countries  
( Commitments)
- VII .Key Statistics of the SAARC Countries

February, 1990  
Southwest Asia Division  
Ministry of Foreign Affairs

# I. Japan's Trade with the SAARC Countries

calendar year area, country	1970 (share)	1980	1983	1984	1985	1986	1987	1988
<b>W o r l d</b>								
total	38,199	270,335	273,320	306,617	305,117	335,559	378,736	452,271
export	19,318	129,807	146,927	170,114	175,638	209,151	229,221	264,917
import	18,881	140,528	126,393	136,503	129,539	126,408	149,515	187,354
balance	437	-10,721	20,534	33,611	46,099	82,743	79,706	77,563
<b>A s i a *</b>								
total	8,736	72,677	72,970	82,319	83,122	87,306	107,260	134,246
export	5,476	36,375	39,729	44,273	46,025	51,903	61,232	76,585
import	3,310	36,302	33,241	38,064	36,996	35,403	46,028	57,661
balance	2,166	73	6,488	6,227	9,029	16,500	15,204	18,924
<b>S A A R C</b>								
total	721	3,493	4,641	4,086	4,776	5,637	5,786	6,414
export	271	2,171	2,724	2,555	3,039	3,813	3,597	3,856
import	450	1,317	1,530	1,531	1,737	1,824	2,189	2,558
balance	179	854	1,194	1,024	1,302	1,989	1,408	1,298
<b>B a n g l a d e s h</b>								
total	493	1,929	2,562	2,300	2,784	3,396	3,487	3,886
export	103	915	1,431	1,167	1,596	2,099	1,957	2,082
import	390	1,014	1,131	1,132	1,188	1,297	1,530	1,804
balance	-287	-99	300	35	408	802	427	278
<b>B h u t a n</b>								
total	0	0	1	2	2	5	4	5
export	0	0	1	2	2	5	4	5
import	0	0	0	0	0	0	0	0
balance	0	0	1	2	2	5	4	5
<b>I n d i a</b>								
total	493	1,929	2,562	2,300	2,784	3,396	3,487	3,886
export	103	915	1,431	1,167	1,596	2,099	1,957	2,082
import	390	1,014	1,131	1,132	1,188	1,297	1,530	1,804
balance	-287	-99	300	35	408	802	427	278
<b>M a l d i v e s</b>								
total	0	0	8	11	15	8	14	13
export	0	0	7	10	12	7	13	11
import	0	0	1	1	3	1	1	2
balance	0	0	6	10	9	6	12	9
<b>N e p a l</b>								
total	6	48	43	40	62	67	81	64
export	5	39	42	39	61	65	79	62
import	1	9	1	1	1	2	2	2
balance	4	30	41	38	60	63	77	60
<b>P a k i s t a n</b>								
total	180	835	1,024	1,089	1,168	1,255	1,428	1,678
export	138	623	761	849	786	903	936	1,126
import	42	212	263	240	382	352	492	552
balance	96	411	498	409	404	551	444	574
<b>S r i L a n k a</b>								
total	42	319	359	334	350	378	342	399
export	25	263	290	254	271	289	251	286
import	17	54	69	80	79	89	91	113
balance	8	209	221	174	192	200	160	173

\* unit: million \$, the figures are rounded

%, the figures are rounded to the first decimal

\* \* Asia = the SAARC Countries, China, S. Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Brunei, Philippines, Indonesia, Kampuchea, Laos, Myanmar, Timor Is., Afghanistan

Source: White Paper on International Trade (MITI)

## II. Japan's Direct Investment in the SAARC Countries(flow)

fiscal year country, area	1951~ 80		1981		1982		1983		1984		1985		1986		1987		1988		Total
	value	cases	value	cases	value	cases	value	cases	value	cases	value	cases	value	cases	value	cases	value	cases	
W o r l d	436,493	23,949	8,932	2,563	7,703	2,549	8,145	2,754	10,155	2,499	12,217	2,613	22,320	3,196	33,364	4,584	47,022	6,076	186,356
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
A s i a *	9,831	7,964	3,338	712	1,385	670	1,847	825	1,628	674	1,435	685	2,327	819	4,868	1,342	5,569	1,736	32,227
	27.0	33.3	37.4	27.8	18.0	26.3	22.7	30.0	16.0	27.0	11.7	26.2	10.4	25.0	14.6	29.3	11.8	28.0	17.3
S A A R C	69.9	190	17.2	20	6.6	13	75.8	37	20.8	37	19.8	27	14.0	12	26.7	21	28.9	11	280.3
	0.2	0.8	0.2	0.8	0.1	0.5	0.9	1.3	0.2	1.3	0.2	1.0	0.1	0.4	0.1	0.5	0.1	0.2	0.7
B a n g l a d e s h	5.6	7	-	-	0.4	1	1.2	3	0.4	1	3.0	5	0.1	1	0.1	1	0.6	1	11.3
	39.4	94	14.9	6	3.3	3	6.5	5	14.5	6	12.7	10	11.1	8	21.0	13	23.8	6	147.6
M a l d i v e s	5.2	11	0.1	1	-	-	-	-	-	-	-	-	-	-	0.5	2	-	-	5.8
	1.0	3	0.0	1	0.0	-	-	-	0.3	2	0.9	3	1.2	1	-	-	1.0	1	4.6
S r i L a n k a	11.0	38	1.8	10	2.7	9	67.4	28	5.9	10	1.3	6	1.2	2	0.6	-	1.2	2	92.4
	7.1	37	0.4	2	0.2	-	0.7	1	0.1	1	2.4	3	0.3	-	4.0	5	2.3	1	18.1

Source: Yearbook of International Finance Bureau (Ministry of Finance)

\*unit: million \$, the figures are rounded to the first decimal (excluding World and Asia)

% the figures are rounded to the first decimal

\*\*Asia = the SAARC Countries excluding Bhutan, China, S. Korea, N. Korea, Taiwan, Hong Kong, Macao,

Viet Nam, Laos, Kampuchea, Thailand, Malaysia, Singapore, Indonesia, Philippines, Brunei,

Myanmar, Gon



### III. Japan's Economic Cooperation with the SAARC Countries

#### 1. Total Flow of Financial Resources from Japan to the SAARC Countries (excluding Grants by Private Voluntary Agencies) (net disbursement basis)

unit: million \$ (the figures are rounded to the first decimal)

	1983	1984	1985	1986	1987
Bangladesh	104.3	122.7	123.6	257.7	328.4
Bhutan	0.4	1.9	1.6	5.3	4.2
India	199.2	123.9	67.6	457.3	649.6
Maldives	1.2	1.6	1.9	3.1	6.1
Nepal	25.4	28.7	51.5	76.4	71.5
Pakistan	63.4	57.7	92.8	166.8	145.9
Sri Lanka	84.0	137.0	123.4	139.4	135.1
Total	477.9	473.5	462.4	1,106.0	1,340.8
SAARC's share of Japan's total flow of Financial Resources to all Developing Countries	6.1%	4.0%	4.0%	7.6%	6.6%

Source: OECD: Geographical Distribution of Financial Flows to Developing Countries, and others

(note) Total Flow of Financial Resources consists of ODA (Official Development Assistance),  
OOF (Other Official Flow), PF (Private Flow), and Grants by Private Voluntary Agencies.

#### 2. Distribution of Japan's ODA among the SAARC Countries (net disbursement basis)

unit: million \$, % (the figures are rounded to the first decimal)

	1981	1982	1983	1984	1985	1986	1987	1988
World	2,260.4 (100.0)	2,367.3 (100.0)	2,425.3 (100.0)	2,427.4 (100)	2,556.9 (100.0)	3,846.2 (100.0)	5,247.6 (100.0)	6,421.9 (100.0)
Asia	1,604.5 (71.0)	1,624.3 (68.6)	1,613.8 (66.5)	1,594.2 (65.7)	1,731.8 (67.7)	2,493.5 (64.8)	3,415.9 (65.1)	4,038.6 (62.9)
SAARC	350.3 (15.5)	449.7 (19.0)	410.0 (16.9)	308.3 (12.7)	375.0 (14.7)	831.0 (21.6)	970.2 (18.5)	1,109.2 (17.3)
Bangladesh	145.0 (6.4)	215.8 (9.1)	104.2 (4.3)	123.3 (5.1)	121.5 (4.8)	248.5 (6.5)	334.2 (6.4)	342.0 (5.3)
Bhutan	0.4 (0.0)	1.6 (0.0)	0.4 (0.0)	1.9 (0.1)	1.6 (0.0)	5.3 (0.0)	4.2 (0.1)	6.8 (0.1)
India	4.0 (0.2)	41.0 (1.7)	129.5 (5.3)	21.6 (0.9)	21.9 (0.9)	226.7 (5.9)	303.9 (5.8)	179.5 (2.8)
Maldives	1.0 (0.0)	-0.9 (-)	1.5 (0.1)	2.0 (0.1)	2.1 (0.1)	4.3 (0.1)	5.9 (0.1)	16.6 (0.3)
Nepal	33.1 (1.5)	35.2 (1.5)	28.3 (1.2)	28.5 (1.2)	50.7 (2.0)	68.1 (1.8)	76.8 (1.5)	62.4 (1.0)
Pakistan	111.7 (1.8)	95.3 (4.0)	72.8 (3.0)	67.0 (2.8)	93.3 (3.6)	151.6 (3.9)	126.7 (2.4)	302.2 (4.7)
Sri Lanka	49.1 (2.2)	61.6 (2.6)	73.1 (3.0)	63.8 (2.7)	83.7 (3.3)	126.9 (3.3)	118.3 (2.3)	199.8 (3.1)

Source: Outlook of Japan's Economic Cooperation

(Economic Cooperation Bureau)

# IV. Major Trading Partners of the SAARC Countries

\* (the share figures are rounded to the first decimal)

## (1) BANGLADESH

	export				import			
	83-84	84-85	85-86	86-87	83-84	84-85	85-86	86-87
U. S.	U. S.	U. S.	U. S.	U. S.	Japan	U. S.	Singapore	Japan
Iran	Japan	Japan	Italy	Japan	U. S.	Singapore	Japan	U.A.E.
Italy	Pakistan	U. K.	Japan	Japan	Singapore	Japan	U. S.	Singapore
Pakistan	U. K.	Italy	U. K.	U. K.	U. K.	India	U.A.E.	India
Japan	Iran	Pakistan	Singapore	Saudi	Saudi	India	U. K.	U. K.

unit : million taka		export		import	
		87/88		87/88	
U. S.	12,045(29.3)	Japan	10,098(11.0)		
Italy	3,677(8.9)	U. S.	8,161(8.9)		
U. K.	2,433(5.9)	U.A.E.	6,592(7.2)		
F. R. G.	2,306(5.6)	Singapore	6,327(6.9)		
Japan	2,292(5.6)	S. Korea	5,493(6.0)		

Source : Statistical Yearbook of Bangladesh

## (2) BHUTAN

	export				import			
	82-83	83-84	84-85	85-86	86-87	82-83	83-84	84-85
India	1,57.0(98.5)	157.2(97.8)	200.0(96.9)	270.0(99.0)	424.4(99.4)	146.5(84.5)	100.6(82.3)	125.0(87.9)
Others	2.4(1.5)	3.5(2.2)	6.4(3.1)	2.0(0.7)	2.7(0.6)	100.0(15.5)	129.4(17.7)	100.2(12.1)
total	1,59.4(100.0)	160.7(100.0)	206.4(100.0)	272.0(100.0)	427.1(100.0)	146.5(100.0)	129.4(100.0)	125.2(100.0)

\* no country-wise breakdown is available

unit : million Nu. (1 Nu. = 1 Indian Ru.)		export		import	
		84-85		85-86	
U. S.	2,003(18.5)	F. R. G.	2,178(9.7)		
U.S.S.R.	1,972(12.5)	Japan	2,120(9.5)		
Japan	1,615(10.3)	U. S.	2,025(9.0)		
F. R. G.	1,061(6.7)	U. S.	1,811(8.1)		
U. S.	1,035(6.6)	U.S.S.R.	1,273(5.7)		

Source : Statistical Yearbook of Bhutan

## (3) INDIA

	export				import			
	82-83	83-84	84-85	85-86	86-87	82-83	83-84	84-85
U. S.	U. S.	U. S.	U.S.S.R.	U. S.	U. S.	U.S.S.R.	U. S.	U. S.
U.S.S.R.	U.S.S.R.	U. S.	U.S.S.R.	U. S.	U.S.S.R.	U. S.	U.S.S.R.	U. S.
Japan	Japan	Japan	Japan	Japan	Japan	F. R. G.	F. R. G.	F. R. G.
U. K.	U. K.	F. R. G.	F. R. G.	F. R. G.	F. R. G.	Saudi	Saudi	U. S.
F. R. G.	F. R. G.	U. K.	U. K.	U. K.	U. K.	Japan	Japan	U.S.S.R.

unit : 10 million Indian Rs.		export		import	
		87/88		87/88	
U. S.	2,003(18.5)	F. R. G.	2,178(9.7)		
U.S.S.R.	1,972(12.5)	Japan	2,120(9.5)		
Japan	1,615(10.3)	U. S.	2,025(9.0)		
F. R. G.	1,061(6.7)	U. S.	1,811(8.1)		
U. S.	1,035(6.6)	U.S.S.R.	1,273(5.7)		

Source : Economic Survey of India

## (1) NEPAL

	export				import			
	83-84	84-85	85-86	86-87	87-88	83-84	84-85	85-86
India	1,161(53.1)	1,602(53.4)	1,241(40.3)	1,003(43.5)	1,058(46.9)	1,058(46.9)	1,058(46.9)	1,058(46.9)
Others	1,033(46.9)	1,033(46.9)	1,033(46.9)	1,033(46.9)	1,033(46.9)	1,033(46.9)	1,033(46.9)	1,033(46.9)
total	2,194(100.0)	2,635(100.0)	2,274(100.0)	2,036(100.0)	2,091(100.0)	2,091(100.0)	2,091(100.0)	2,091(100.0)

unit : million Nepalese Rs.		export		import	
		85-86		86-87	
U. S.	4,262(33.1)	4,262(33.1)	4,262(33.1)	4,262(33.1)	
U.S.S.R.	6,827(53.9)	6,827(53.9)	6,827(53.9)	6,827(53.9)	
Japan	9,271(72.9)	9,271(72.9)	9,271(72.9)	9,271(72.9)	

Source : Statistical Yearbook of Nepal

# (5) MALDIVES

unit : thousand U.S.\$									
8 2		8 4		8 6		8 7		8 8	
Japan	3,317( 34.2)	U. S.	6,877( 39.0)	Thailand	8,897( 36.3)	U. S.	10,824( 35.2)	Thailand	12,675( 31.6)
U. S.	3,109( 31.7)	Thailand	5,722( 32.5)	U. S.	8,064( 32.9)	Thailand	6,823( 22.2)	U.S.A.	9,256( 23.1)
Sri Lanka	2,553( 21.1)	Sri Lanka	1,771( 10.0)	Sri Lanka	4,695( 19.1)	Sri Lanka	5,056( 16.4)	Singapore	4,474( 11.2)
Thailand	354( 3.8)	Japan	1,069( 6.1)	Japan	908( 3.7)	F. R. G.	2,971( 9.7)	U. K.	4,335( 10.8)
Singapore	253( 2.7)	Hong Kong	356( 2.0)	Canada	555( 2.3)	Canada	1,226( 4.0)	Sri Lanka	4,024( 10.0)
total	9,738(100.0)		17,625(100.0)		24,541(100.0)		30,768(100.0)		40,123(100.0)

Source : Customs Statistics of Maldives (the figures are not available for '83 and '85)

# (6) PAKISAN

unit : million Pakistan Rs.									
e x p o r t					i m p o r t				
82-83	83-84	84-85	85-86	86-87	82-83	83-84	84-85	85-86	86-87
Saudi	U. S.	Japan	U. S.	Japan	Japan	Japan	Japan	Japan	Japan
Japan	U. S.	U. S.	Japan	U. S.	Saudi	U. S.	U. S.	U. S.	U. S.
U. S.	Saudi	Saudi	Saudi	U. S.	U. S.	Saudi	Saudi	F. R. G.	F. R. G.
China	F. R. G.	U. K.	F. R. G.	Saudi	Kuwait	Kuwait	Kuwait	Saudi	U. K.
U. K.	U. K.	F. R. G.	U. K.	Italy	U. K.	U. K.	U. K.	Kuwait	Saudi

Source : Economic Survey of Pakistan

# (7) SRI LANKA

unit : 10 million Sri Lankan Rs.									
e x p o r t					i m p o r t				
1983	1984	1985	1986	1987	1983	1984	1985	1986	1987
U. S.	U. S.	U. S.	U. S.	U. S.	Japan	Japan	Japan	Japan	Japan
Egypt	Iran	Egypt	F. R. G.	F. R. G.	Saudi	Saudi	Iran	U. S.	U. S.
F. R. G.	U. K.	F. R. G.	U. K.	Singapore	U. S.	Singapore	U. K.	U. K.	U. K.
U. K.	F. R. G.	U. K.	Japan	U. K.	India	India	U. K.	U.A.E.	U.A.E.
Iran	Egypt	Japan	Egypt	Egypt	Singapore	Singapore	India	Taiwan	Taiwan

Source : Customs Statistics of Sri Lanka



# V. ODA from the DAC Countries to the SAARC Countries (ODA Net)

(net disbursement basis)

unit: million \$ (the figures are rounded to the first decimal)

source: OECD Geographical Distribution of Financial Flows to Developing Countries

1984	1985	1986	1987	BANGLADESH
TOTAL ODA NET				
31.3	3.9	9.3	8.4	Australia
0.1	0.1	0.1	0.1	Austria
0.4	10.0	0.9	5.1	Belgium
84.5	78.4	71.1	102.0	Canada
22.3	40.6	30.0	27.5	Denmark
3.1	4.2	2.3	2.7	Finland
12.6	14.4	13.7	30.2	France
46.1	46.6	70.9	66.1	Germany, Fed. Rep.
0.1	0.1	0.1	0.2	Ireland
0.3	0.5	0.4	4.1	Italy
123.3	121.5	248.5	334.2	Japan
61.0	41.8	40.9	67.0	Netherlands
0.0	0.1	0.2	0.1	New Zealand
21.9	22.4	43.0	33.2	Norway
10.9	16.7	22.5	41.8	Sweden
4.1	3.3	6.2	2.8	Switzerland
46.5	52.2	54.9	55.7	United Kingdom
256.0	165.0	146.0	146.0	United States
674.5	621.3	760.9	926.5	TOTAL

the shares of the Three  
Largest Donors to  
Bangladesh (1987)

Japan	U. S.	Canada
35.8%	15.5%	11.0%

the shares of the Three  
Largest Donors to  
Pakistan (1987)

Japan	U. S.	F. R. G.
28.8%	20.4%	11.5%

1984	1985	1986	1987	INDIA
TOTAL ODA NET				
2.2	2.6	1.8	1.5	Australia
-0.1	-0.8	5.1	5.6	Austria
5.4	-0.8	-1.7	-2.0	Belgium
64.9	42.3	46.5	38.5	Canada
31.0	21.2	38.7	42.1	Denmark
0.6	0.4	0.7	0.9	Finland
43.6	65.2	72.3	69.4	France
95.2	86.5	165.5	136.6	Germany, Fed. Rep.
0.1	0.1	0.1	0.1	Ireland
10.3	15.3	30.3	43.0	Italy
21.6	21.9	226.7	303.9	Japan
60.8	60.1	101.1	104.0	Netherlands
0.0	0.0	0.1	0.1	New Zealand
19.4	23.4	24.8	30.4	Norway
50.3	41.1	80.0	43.6	Sweden
20.5	14.1	10.2	23.5	Switzerland
144.1	93.3	162.1	76.6	United Kingdom
65.0	29.0	49.0	39.0	United States
633.8	515.9	1,014.9	956.8	TOTAL

the shares of the Three  
Largest Donors to  
India (1987)

Japan	F. R. G.	Netherlands
31.3%	14.3%	10.9%

the shares of the Three  
Largest Donors to  
Sri Lanka (1987)

Japan	F. R. G.	U. S.
36.3%	12.2%	10.7%

1984	1985	1986	1987	PAKISTAN
TOTAL ODA NET				
0.8	3.6	0.5	0.6	Australia
0.1	0.1	0.2	0.3	Austria
6.4	-0.2	-1.0	0.3	Belgium
53.7	58.4	44.4	38.0	Canada
-	-0.2	-0.3	-0.2	Denmark
0.2	0.4	0.3	0.6	Finland
8.2	5.4	15.1	34.1	France
34.6	74.0	74.9	50.5	Germany, Fed. Rep.
-	-	-	0.0	Ireland
-0.3	4.6	62.7	16.1	Italy
67.0	93.3	151.6	126.7	Japan
10.2	14.1	23.0	27.9	Netherlands
0.0	0.0	0.0	0.0	New Zealand
11.1	9.8	15.2	10.7	Norway
0.7	1.4	1.0	4.2	Sweden
5.2	3.8	5.3	11.6	Switzerland
17.8	15.4	23.5	29.3	United Kingdom
87.0	144.0	194.0	99.0	United States
302.7	610.4	610.4	440.5	TOTAL

1984	1985	1986	1987	SRI LANKA
TOTAL ODA NET				
8.7	2.5	2.2	1.4	Australia
0.1	0.1	0.1	0.1	Austria
0.7	1.1	1.0	0.8	Belgium
30.4	21.9	21.6	21.8	Canada
1.8	3.0	3.4	4.6	Denmark
5.3	6.0	10.3	14.0	Finland
2.9	3.4	8.8	7.1	France
33.7	53.6	73.2	39.7	Germany, Fed. Rep.
-	0.0	-	0.0	Ireland
0.2	0.2	0.1	3.7	Italy
63.8	83.7	126.9	118.3	Japan
20.7	14.5	17.2	23.5	Netherlands
0.0	0.0	0.0	0.1	New Zealand
11.9	10.3	12.2	15.6	Norway
32.3	33.3	24.0	19.9	Sweden
1.9	3.3	3.8	4.3	Switzerland
28.4	12.3	17.3	16.3	United Kingdom
76.0	85.0	66.0	35.0	United States
318.7	334.1	388.2	326.1	TOTAL

1984	1985	1986	1987	NEPAL
TOTAL ODA NET				
1.9	1.5	1.4	2.8	Australia
0.3	0.1	0.3	0.3	Austria
0.0	0.1	5.7	0.3	Belgium
7.3	7.7	6.3	7.8	Canada
0.3	0.9	5.8	8.0	Denmark
3.0	3.8	5.3	9.9	Finland
2.5	1.8	3.5	2.2	France
10.3	10.6	21.3	26.7	Germany, Fed. Rep.
0.0	0.0	0.0	0.0	Ireland
0.2	0.9	4.7	0.8	Italy
13.5	59.7	68.1	76.8	Japan
1.6	2.5	3.3	4.4	Netherlands
0.0	0.0	0.1	0.1	New Zealand
1.4	2.0	3.9	3.1	Norway
0.1	-	-	-	Sweden
8.0	7.6	9.1	9.7	Switzerland
11.3	12.4	14.4	16.3	United Kingdom
26.0	2.0	17.0	20.0	United States
93.4	123.5	170.2	189.2	TOTAL

the shares of the Three  
Largest Donors to  
Nepal (1987)

Japan	F. R. G.	U. S.
14.5%	14.1%	10.6%

1984	1985	1986	1987	S.A.A.R.C. (except Eritrea, Maldives)
TOTAL ODA NET				
44.9	14.1	15.2	14.7	Australia
-0.7	-0.4	5.8	6.4	Austria
15.1	10.2	4.9	4.5	Belgium
240.8	208.7	189.9	208.1	Canada
55.4	68.3	77.6	82.0	Denmark
12.2	27.0	18.9	28.1	Finland
69.8	90.2	113.4	143.0	France
219.9	271.3	405.8	319.5	Germany, Fed. Rep.
0.2	0.2	0.2	0.3	Ireland
10.7	19.6	98.2	67.7	Italy
304.5	371.1	821.8	959.9	Japan
154.5	133.0	185.5	226.8	Netherlands
0.0	0.1	0.4	0.4	New Zealand
65.7	67.9	99.1	93.0	Norway
94.3	92.5	128.3	109.5	Sweden
39.7	32.1	34.6	51.4	Switzerland
248.1	185.6	272.2	194.2	United Kingdom
456.0	444.0	472.0	330.0	United States
2,030.4	2,035.5	2,944.8	2,839.5	TOTAL

the shares of the Three  
Largest Donors to the  
S.A.A.R.C. Countries except  
Eritrea and Maldives (1987)

Japan	U. S.	F. R. G.
33.8%	11.6%	11.3%

# VI. ODA from the DAC Countries to the SAARC Countries (Commitments)

(commitment basis)

unit: million \$ (the figures are rounded to the first decimal)

Source: OECD Geographical Distribution of Financial Flows to Developing Countries

1984	1985	1986	1987	BANGLADESH
ODA COMMITMENTS				
10.6	14.1	9.0	9.6	Australia
0.1	0.1	0.1	0.1	Austria
-	3.9	1.5	0.9	Belgium
53.0	110.5	137.5	99.6	Canada
79.3	17.6	9.5	17.9	Denmark
5.8	0.1	7.5	28.2	Finland
14.8	22.2	15.1	30.2	France
56.4	43.5	54.0	66.7	Germany, Fed. Rep.
0.1	0.1	0.1	0.2	Ireland
0.3	0.8	0.4	3.8	Italy
227.0	184.2	265.1	290.3	Japan
56.6	50.9	68.5	92.1	Netherlands
0.0	0.1	0.1	0.1	New Zealand
7.8	22.3	53.5	18.6	Norway
17.8	17.3	22.5	-	Sweden
6.4	3.2	6.9	9.5	Switzerland
78.4	28.4	92.5	70.3	United Kingdom
198.5	179.4	122.5	189.5	United States
32.7	698.6	866.5	918.0	TOTAL

the shares of the Three  
Largest Donors to  
Bangladesh (1987)

Japan	U. S.	Netherlands
31.6%	20.6%	10.0%

the shares of the Three  
Largest Donors to  
Pakistan (1987)

U. S.	Japan	F. R. G.
29.1%	28.1%	13.3%

1984	1985	1986	1987	INDIA
ODA COMMITMENT				
2.6	2.3	1.1	1.6	Australia
0.3	0.3	-	7.6	Austria
-	-	0.9	-1.7	Belgium
229.7	18.2	64.1	201.7	Canada
36.2	28.1	43.5	67.9	Denmark
0.3	0.2	0.2	0.9	Finland
74.9	44.4	220.6	80.2	France
217.4	90.8	213.0	335.6	Germany, Fed. Rep.
0.1	0.1	0.1	0.1	Ireland
52.3	47.6	20.7	125.9	Italy
123.3	183.9	316.5	416.2	Japan
69.5	34.8	156.1	269.3	Netherlands
0.0	0.1	0.1	0.1	New Zealand
25.1	21.2	2.6	77.7	Norway
43.1	57.9	80.8	1.3	Sweden
22.4	13.3	9.9	37.1	Switzerland
284.7	21.8	116.0	268.1	United Kingdom
250.8	156.4	201.7	168.1	United States
1,772.6	771.3	1,307.3	2,087.5	TOTAL

the shares of the Three  
Largest Donors to  
India (1987)

Japan	F. R. G.	Netherlands
21.4%	16.1%	12.9%

1984	1985	1986	1987	SRI LANKA
TOTAL ODA NET				
6.7	2.7	1.2	2.3	Australia
0.0	0.1	-	0.1	Austria
-	0.6	1.0	1.0	Belgium
62.8	14.8	41.2	12.1	Canada
0.1	0.1	11.3	0.1	Denmark
3.1	12.0	28.3	23.8	Finland
5.1	5.5	9.4	8.0	France
12.2	10.5	114.9	21.8	Germany, Fed. Rep.
-	0.0	-	0.0	Ireland
0.2	0.4	0.3	3.6	Italy
78.4	121.5	161.6	178.2	Japan
14.2	27.7	38.7	18.4	Netherlands
0.1	0.0	-	0.1	New Zealand
18.8	15.0	6.6	6.2	Norway
32.9	32.9	24.0	-	Sweden
2.5	7.2	1.2	2.4	Switzerland
26.0	5.8	32.4	10.3	United Kingdom
111.8	37.6	52.8	52.6	United States
374.8	294.3	524.7	340.4	TOTAL

the shares of the Three  
Largest Donors to  
Sri Lanka (1987)

Japan	U. S.	Finland
52.4%	15.3%	6.8%

1984	1985	1986	1987	NEPAL
ODA COMMITMENTS				
2.2	5.9	0.6	1.1	Australia
0.0	0.2	-	0.2	Austria
-	-	3.5	5.7	Belgium
16.5	16.7	1.4	12.3	Canada
0.1	0.5	16.6	14.6	Denmark
4.0	14.0	-2.9	4.1	Finland
4.1	6.5	3.5	2.2	France
18.3	65.0	27.3	8.6	Germany, Fed. Rep.
0.0	0.0	0.0	0.0	Ireland
0.2	1.0	4.2	1.5	Italy
34.7	37.1	48.8	180.8	Japan
1.2	2.1	3.8	2.2	Netherlands
0.0	0.2	0.0	0.1	New Zealand
0.8	6.2	1.6	6.8	Norway
0.2	-	-	-	Sweden
4.0	10.5	13.8	23.8	Switzerland
7.2	15.3	20.7	18.0	United Kingdom
4.6	11.5	16.4	17.2	United States
109.0	155.1	159.2	293.2	TOTAL

the shares of the Three  
Largest Donors to  
Nepal (1987)

Japan	Switzerland	U. K.
61.7%	8.1%	6.1%

1984	1985	1986	1987	SAARC (except Bhutan, Maldives)
ODA COMMITMENTS				
22.9	25.7	15.1	20.6	Australia
0.5	1.1	-	-8.3	Austria
9.1	12.5	7.1	4.9	Belgium
425.4	292.9	302.0	371.9	Canada
115.8	46.5	81.1	101.9	Denmark
13.4	26.5	33.4	56.4	Finland
112.1	93.4	125.4	159.4	France
418.6	237.0	505.7	584.5	Germany, Fed. Rep.
0.2	0.2	0.2	0.3	Ireland
75.2	113.6	40.4	252.9	Italy
932.9	976.4	816.2	1,416.4	Japan
139.6	129.4	296.1	432.7	Netherlands
0.1	0.4	0.2	0.4	New Zealand
77.3	78.5	80.7	112.9	Norway
95.2	109.4	128.3	5.6	Sweden
39.6	45.3	37.2	110.4	Switzerland
408.8	116.4	275.6	382.6	United Kingdom
810.9	735.6	707.8	759.9	United States
3,697.4	2,730.2	3,452.5	4,781.5	TOTAL

the shares of the Three  
Largest Donors to the  
SAARC Countries except  
Bhutan and Maldives (1987)

Japan	U. S.	F. R. G.
29.6%	15.9%	12.2%

## VII . Key Statistics of the SAARC Countries

	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
1. Population (million)	108.9	88	88	88	88	105.7	88
2. Land Area (1000sq)	144.0	46.5	3,287.2	0.3	147.2	796.1	65.6
3. GNP (100 million)	183.1	88	2,714.4	0.8	31.5	371.5	88
4. GNP per capita (U.S. \$)	170	88	330	410	170	350	88
5. Real GNP growth rate (%)	1.6	80/88	5.5	n. a.	4.0	6.3	80/88
6. Consumer prices rise rate (%)	9.3	88	9.4	23.1	9.0	6.8	88
7. Unemployment rate (%)	n. a.	87	n. a.	n. a.	n. a.	3.1	87
8. Foreign currency reserves	876	87	11,512	8	251	1,441	87
9. Export (FOB)	1,074	87	12,548	35	30	4,172	87
10. Import (Cif)	2,620	87	18,985	74 (FOB)	70	5,822	87
11. Exports to Japan	85	88	1,804	2	2	552	88
12. Imports from Japan	284	88	2,082	11	62	1,126	88
13. Trade balances with Japan	-199	88	-278	-9	-60	-574	88
14. Army (10 thousands)	9.00	88	120.00	n. a.	3.50	45.00	88
15. Navy (10 thousands)	0.75	88	5.20	n. a.	-	1.60	88
16. Air Force (10 thousands)	0.40	88	11.50	n. a.	-	1.76	88

Source : 1.-3.-5. World Bank Atlas ('89)

6. International Financial Statistics

8.-10. World Development Report 1989(The World Bank)

11.-13. White Paper on International Trade(MITI)

14.-16. Military Balance 1987-1988

(note) \*1-\*2 IMF Report

\*3-\*4 Paper from Maldives

\*5 Economic Survey of Pakistan

\*6 Year-book of the Central Bank Sri

note : 8-13 (unit: million U.S.\$)